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# Foreign Relations of the United States 1946

## Volume VIII The Far East



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## PREFACE

The Chief of the Foreign Relations Division, S. Everett Gleason, supervised the preparation of this volume, assisted by Rogers P. Churchill.

The documentation on United States relations with Burma, French Indochina, Japan, Korea, the Netherlands East Indies, and the Philippines was compiled by John G. Reid.

The compilations on Siam were the work of Herbert A. Fine.

The Publishing and Reproduction Services Division (Jerome H. Perlmutter, Chief) was responsible for the technical editing of this volume.

WILLIAM M. FRANKLIN  
*Director, Historical Office,  
Bureau of Public Affairs*

JUNE 10, 1971

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### PRINCIPLES FOR THE COMPILATION AND EDITING OF "FOREIGN RELATIONS"

The principles which guide the compilation and editing of *Foreign Relations* are stated in Department of State Regulation 2 FAM 1350 of June 15, 1961, a revision of the order approved on March 26, 1925, by Mr. Frank B. Kellogg, then Secretary of State. The text of the regulation, as further amended, is printed below:

1350 DOCUMENTARY RECORD OF AMERICAN DIPLOMACY

1351 *Scope of Documentation*

The publication *Foreign Relations of the United States* constitutes the official record of the foreign policy of the United States. These volumes include, subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions within the range of the Department of State's responsibilities, together with appropriate materials concerning the facts which contributed to the formulation of policies. When further material is needed to supplement the documentation in the Department's files for a proper understanding of the relevant policies of the United States, such papers should be obtained from other Government agencies.



1352 *Editorial Preparation*

The basic documentary diplomatic record to be printed in *Foreign Relations of the United States* is edited by the Historical Office, Bureau of Public Affairs of the Department of State. The editing of the record is guided by the principles of historical objectivity. There may be no alteration of the text, no deletions without indicating where in the text the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy. However, certain omissions of documents are permissible for the following reasons:

- a. To avoid publication of matters which would tend to impede current diplomatic negotiations or other business.
- b. To condense the record and avoid repetition of needless details.
- c. To preserve the confidence reposed in the Department by individuals and by foreign governments.
- d. To avoid giving needless offense to other nationalities or individuals.
- e. To eliminate personal opinions presented in despatches and not acted upon by the Department. To this consideration there is one qualification—in connection with major decisions it is desirable, where possible, to show the alternatives presented to the Department before the decision was made.

1353 *Clearance*

To obtain appropriate clearances of material to be published in *Foreign Relations of the United States*, the Historical Office:

- a. Refers to the appropriate policy offices of the Department and of other agencies of the Government such papers as appear to require policy clearance.
- b. Refers to the appropriate foreign governments requests for permission to print as part of the diplomatic correspondence of the United States those previously unpublished documents which were originated by the foreign governments.

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## LIST OF ABBREVIATIONS, SYMBOLS, AND CODE NAMES

**EDITOR'S NOTE**—This list does not include standard abbreviations in common usage; unusual abbreviations of rare occurrence which are clarified at appropriate points; and those abbreviations and contractions which, although uncommon, are understandable from the context.

- |   |  |
|---|--|
| <b>AFL</b> , Anti-Fascist League (Burma)  | <b>DelUN</b> , indicator for telegrams from the United States Delegation at the United Nations |
| <b>AFP</b> , French Press Agency  | <b>Dept</b> , Department of State  |
| <b>AFPFL</b> , Anti-Fascist People's Freedom League (Burma)   | <b>Deptel</b> , Department's telegram  |
| <b>AFWESPAC</b> , Army Forces Western Pacific   | <b>DMH</b> , <i>Dong Minh Hoi</i> (Vietnamese political party)                                 |
| <b>A-H</b> , Assistant Secretary of State for Occupied Areas (Hilddring)  | <b>EE</b> , Division of Eastern European Affairs, Department of State                          |
| <b>AMG</b> , American Military Government (Korea)   | <b>Emb</b> , Embassy   |
| <b>AmPolAd</b> , American Political Adviser   | <b>Embtel</b> , Embassy's telegram   |
| <b>ANZAC</b> , Australia—New Zealand Army Corps   | <b>ESS</b> , Economic and Scientific Section (GHQ, SCAP, Tokyo)                                |
| <b>AP</b> , Associated Press  | <b>FBA</b> , Federation of Bar Associations, Japan   |
| <b>ATC</b> , Air Transport Command  | <b>FE</b> , Office of Far Eastern Affairs, Department of State                                 |
| <b>bde</b> , brigade  | <b>FEAC</b> , Far Eastern Advisory Commission  |
| <b>CAD</b> , Civil Affairs Division, War Department   | <b>FEC</b> , Far Eastern Commission  |
| <b>CCC</b> , Commodity Credit Corporation   | <b>FIC</b> , French Indochina  |
| <b>CFM</b> , Council of Foreign Ministers   | <b>FLC</b> , Foreign Liquidation Commissioner, Department of State                             |
| <b>CG</b> , Commanding General  | <b>FM</b> , Foreign Minister   |
| <b>CGT</b> , <i>Confédération Générale du Travail</i> (General Confederation of Labor, French)  | <b>FonMins</b> , Foreign Ministers   |
| <b>CIA</b> , Constitution Investigation Association, Japan  | <b>FonOff</b> , Foreign Office   |
| <b>CIC</b> , Counter Intelligence Corps   | <b>FSO</b> , Foreign Service Officer   |
| <b>CINCAFPAC</b> , Commander in Chief, Army Forces in Pacific   | <b>GA</b> , (UN) General Assembly  |
| <b>ComGen USAFIK</b> , Commanding General, U.S. Army Forces in Korea  | <b>GHQ</b> , General Headquarters  |
| <b>ConGen</b> , Consul General  | <b>GOB</b> , Government of Burma   |
| <b>CP</b> , Communist Party, or Division of Commercial Policy, Department of State  | <b>GOC</b> , General Officer Commanding  |
| <b>CSAP</b> , Combined Shipping Adjustment Board  | <b>HC</b> , U.S. High Commissioner (Philippines)   |
| <b>Delsec</b> , indicator for telegrams from the United States Delegation to the Council of Foreign Ministers, or the Paris Peace Conference, at times headed by the Secretary of State | <b>HMG</b> , His (Britannic) Majesty's Government  |
|   | <b>IARA</b> , Inter-Allied Reparations Agency  |
|   | <b>I.C.S.</b> , Indian Civil Service (British, India-Burma)                                    |
|   | <b>IEFC</b> , International Emergency Food Council   |
|   | <b>Indo</b> , Indonesian   |



<b>Info</b> , Information	<b>RAF</b> , Royal Air Force (United Kingdom)
<b>Infotel</b> , information telegram	<b>reps</b> , representatives
<b>Int</b> , international	<b>RFC</b> , Reconstruction Finance Corporation
<b>JC</b> , Joint Commission (U.S.—U.S.S.R.), Korea	<b>SACMED</b> , Supreme Allied Commander, Mediterranean
<b>JA</b> , Division of Japanese Affairs, Department of State	<b>SACSEA</b> , Supreme Allied Commander, Southeast Asia
<b>Jap</b> , Japan or Japanese	<b>SC</b> , (UN) Security Council
<b>JCAC</b> , Joint Civil Affairs Committee	<b>SCAP</b> , Supreme Commander, Allied Powers, Japan
<b>JCS</b> , Joint Chiefs of Staff	<b>Scapin</b> , SCAP instruction
<b>JK</b> , Division of Japanese and Korean Economic Affairs, Department of State	<b>SEA</b> , Division of Southeast Asian Affairs, Department of State
<b>ky</b> , administrative district in French Indochina (e.g., Cochín-China)	<b>SEAC</b> , Southeast Asia Command
<b>Le</b> , Legal Adviser's Office, Department of State	<b>Seddel</b> , Indicator for telegrams to the United States Delegations to the Council of Foreign Ministers, or the Paris Peace Conference, at times headed by the Secretary of State
<b>LST</b> , landing ship tank	<b>Sov</b> , Soviet Union
<b>MG</b> , Military Government	<b>SWNCC</b> , State—War—Navy Coordinating Committee
<b>MID</b> , Military Intelligence Division, War Department	<b>T/O</b> , table of organization
<b>MoF</b> , Ministry of Food	<b>UMA</b> , United Maritime Authority
<b>MPAJU</b> , Malayan Peoples Anti-Japanese Union	<b>UNDel</b> , indicator for telegrams to the United States Delegation at the United Nations
<b>MRP</b> , <i>Mouvement Républicain Populaire</i> (French political party)	<b>UNO</b> , United Nations Organization
<b>NAC</b> , National Advisory Council on International Monetary and Financial Problems	<b>UNRRA</b> , United Nations Relief and Rehabilitation Administration
<b>NEA</b> , Office of Near Eastern and African Affairs, Department of State	<b>UP</b> , United Press
<b>Niact</b> , communications indicator requiring attention by the recipient at any hour of the day or night	<b>urtel</b> , your telegram
<b>NOE</b> , Division of Northern European Affairs, Department of State	<b>USAFIK</b> , U.S. Army forces in Korea
<b>OPD</b> , Operations Division, War Department	<b>USCC</b> , U.S. Commercial Company
<b>ourad</b> , our radiogram	<b>USDel</b> , U.S. delegation
<b>PACUSA</b> , Pacific Air Command, U.S. Army	<b>USGA</b> , U.S. delegation to United Nations General Assembly
<b>PCI</b> , Indochinese Communist Party	<b>USI</b> , United States of Indonesia
<b>PG</b> , Provisional Government (Korea)	<b>V-J Day</b> , The day of Japanese capitulation
<b>PI</b> , Division of Philippine Affairs, Department of State	<b>WARCOS</b> , War Department Chief of Staff
<b>PolAd</b> , Political Adviser	<b>WE</b> , Division of Western European Affairs, Department of State
<b>PR</b> , Division of Protocol, Department of State	<b>WFTU</b> , World Federation of Trade Unions



## BURMA

### THE INTEREST OF THE UNITED STATES IN INDEPENDENCE FOR BURMA

711.00/4-2246

*The Consul at Rangoon (Abbey) to the Secretary of State*

SECRET

RANGOON, April 22, 1946.

No. 90

[Received May 24.]

SIR: I have the honor to acknowledge receipt of the Department's letter of March 21, 1946, and the enclosed Policy and Information Statement on Burma.<sup>1</sup> The letter did not arrive until April 17. The Policy Statement is such a well co-ordinated document on Burma that it leaves but little in the way of comment from the field. In view of several local factors and the constant shifting of the scene the following items may be of interest.

1. It should be constantly borne in mind that Burma was completely devastated during the war. If she attains independence within the next two or three years, the country, if left to her own resources, faces bankruptcy and economic chaos. The other alternative is that she is afforded material assistance by some international organization or a large nation interested in helping Burma redevelop.

2. The Government of Burma has not as yet been able to collect any very detailed or comprehensive information on the precise nature of the country's economic condition and the potential ability of a self-governing Burma to complete work of putting the country on a firm economic basis. It is doubtful that the Burmese by themselves can by any means extricate themselves from the present state of economic prostration.

3. This inability is due to three factors:—(a) the complete lack of public financial assets; (b) the peculiar Burmese lack of acumen with respect to business; and (3) their lack of political and administrative experience. There is not a single phase of the country's economy which does not require almost total reconstitution. This requires long range planning; great patience; the application of experienced minds; good administrators; and a vast amount of capital. The foregoing are complicating factors not only with respect to the future stability of Burma itself but to surrounding territories.

4. There appears to be no doubt that the British Government is now desirous of having Burma attain Dominion status shortly. This is apparent from the various activities of Government officials; the re-organization of the Burma Army; and other overt signs. Certain local elements and I.C.S. officials are not too keen on Burma becom-

<sup>1</sup> Neither printed.

ing self-governing but this arises chiefly out of fear of personal loss rather than concern over the public weal.

5. The problem of Burma does not appear to be comparable to that of India and Ceylon. The latter countries have factional troubles which are (aside from the Shan States and certain other districts) largely missing in Burma. On the other hand India and Ceylon escaped bombing and invasion and are in relatively easy financial circumstances. Therefore parallels should not be too freely drawn when considering Dominion or other status.

6. A further complicating factor is that the possibly stabilizing influences in Burma, i.e., the large non-Burmese firms who could contribute much to reconstruction, are not willing to restore their installations until such time as the British Government agrees to recognize claims for destruction which took place during the British withdrawal from Burma. These firms and others are also unwilling to invest a large amount of new capital in the country until such time as the attitude of the local Government to come is made clear.

7. While it is highly desirable that Burma achieve Dominion status or independence, any breakdown of self-government under the force of economic collapse would be harmful to the peace and stability of other Asiatic areas. Unless the new Government can get off to a good start economically, its democratic form of government will undoubtedly be subjected to infiltrations of totalitarian methods. The current dilemma is that the Burmese will not work with the British in the reconstruction program because they do not trust British intentions. It is possible that the Governor will have to come to terms with the AFPFL as the price of achieving Burmese trust. A continuing reconstruction program under British control will be difficult as the Burmese are extremely chary of what have been termed "continuing obligations" of His Majesty's Government. It would be a solution acceptable to most Burmese, if the United States, in pursuance to its interest in expansion of opportunities for foreign investment in Burma and in the economic development of the country along lines that will contribute to growth of world trade, should participate in some way with the Burmese and British in the reconstruction of the country, either before or after independence is achieved.

8. The statement on page one of the Policy Statement that Burma was one of the most politically advanced countries among dependent areas is quite accurate but it is believed that mention might be made that distinct Russian leanings have been evidenced among influential Burmese politicians.

9. With respect to the first paragraph on page two of the Statement, it is pointed out that it is difficult for any great capitalist nation to disassociate itself from the aura of imperialism in the minds of the Burmese. The United States has been quite successful in overcoming that difficulty but if and when the United States moves to help Burma develop its economy, it will be an extremely delicate undertaking to find a middle ground between outright philanthropy and that degree of good business which will not arouse Burmese suspicions of imperialism. The reaction to President Truman's speech<sup>2</sup> varied from mildly enthusiastic to decidedly cool reception. The Pro-AFPFL

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<sup>2</sup> For President Truman's address in Chicago, April 6, see Department of State *Bulletin*, April 21, 1946, p. 622.



press saw hobgoblins of imperialism in the President's affirmation that the United States must remain strong in order to maintain its leadership.

10. The comments under Withdrawals from AFL were accurate conclusions at the time the Statement was prepared. However, there are no present signs that the Thakin Party will return to the League.

11. With regard to the AFL Delegation to London, as already reported the proposed trip has been abandoned and the League is now pressing for a Government mission to come to Burma to investigate on the spot.

12. It has been rumored on several occasions that Dr. Ba Maw<sup>3</sup> is in Burma but investigations have failed to confirm this. In the light of recent events, the comment that U Saw<sup>4</sup> is now engaged in a strenuous campaign to wrest control of the AFL from Aung San<sup>5</sup> is no longer pertinent and it is not believed that he is carrying on an overt campaign along these lines at the present time. There is no doubt that U Saw will bend every effort to gain control but his line of procedure is not yet fully clear. He may endeavor to achieve his aims by using his old party with AFL collaboration or he may have to dispense with AFL association. U Saw's latest press statement in which he commented upon the similarity of aims of the Myochit Party and the AFL indicate that he may be attempting an amicable arrangement with the League.

Yours respectfully,

GLENN A. ABBEY

845C.00/5-1346: Telegram

*The Acting Secretary of State to the Ambassador in the United Kingdom (Harriman)*

SECRET

WASHINGTON, May 17, 1946—2 p. m.

4093. Telegram Rangoon<sup>6</sup> quotes highly confidential source that recent instructions from London had (1) vetoed Governor's<sup>7</sup> proposal to increase powers of existing Councils<sup>8</sup> prior to holding elections and (2) refused consent to Aung San's entry Executive Council due to murder charges currently levied against him. Governor reported as protesting vigorously London's rulings, alleging that rigid adherence to them might well precipitate open rebellion. Rangoon version probably only part of story. Discreet inquiry suggested to ascertain when new suffrage proposal for Burma is likely to be considered by Parliament.

ACHESON

<sup>3</sup> Wartime Premier of Japanese-sponsored government of Burma; he was in Japan until July 1946 when the American authorities turned him over to the British for return to Burma in August.

<sup>4</sup> Leader of the Myochit Party, former government official and Premier in 1940, detained by the British in Uganda during World War II.

<sup>5</sup> Commander of wartime Burma Defense Army.

<sup>6</sup> Telegram 146, May 13, 1946, noon, not printed.

<sup>7</sup> Sir Reginald Dorman-Smith.

<sup>8</sup> Advisory executive and legislative councils.

845C.001/9-446 : Telegram

*The Consul General at Rangoon (Packer) to the Secretary of State*

RANGOON, September 4, 1946.

[Received September 4—6:17 a. m.]

263. Governor<sup>10</sup> said in speech at City Hall reception September 2nd: "I have not returned to Burma prepared to announce epoch making changes." Stated three objectives: 1st, priority to reconstruction and rehabilitation; 2nd, he will seek create condition so elections may be held next spring; 3rd, will strive to restore law and order.

He indicated desire for representation of Anti-Fascist People's Freedom League and Myochits on Executive Council and that no change will be made in powers of councillors. Will encourage preliminary work on constitution and favors Dominion status rather than independence. Will further His Majesty's Government's declared policy of amalgamation for frontier areas when inhabitants signify desire. Expressed interest in improvement defense forces. Full text by air pouch.<sup>11</sup>

PACKER

845C.00/9-2846 : Telegram

*The Consul General at Rangoon (Packer) to the Secretary of State*

RANGOON, September 28, 1946.

[Received September 28—12:12 p. m.]

317. May 316, 27th.<sup>11</sup> In broadcast evening 26th when he announced new Executive Council Governor noted three main causes of dissatisfaction with present state of affairs in Burma: (1) Doubts about powers of Executive Council, (2) Burmans not "associated with" defense and external affairs, (3) criticism of HMG's financial control. Also Executive Council not in touch with frontier areas policy.

Governor proposed following solutions: (1) "It is my firm intention to see" that Executive Council has same authority Ministers had under 1935 act, (2) Burman Counsellor for Defense and External Affairs who will also be member of Executive Council without portfolio and Deputy Chairman. This is position given Aung San, (3) HMG agreed to some relaxation Treasury control, also Executive

<sup>10</sup> Maj. Gen. Sir Hubert E. Rance, formerly on the staff of the Supreme Allied Commander, South-East Asia (Mountbatten); he became Governor of Burma on August 31.

<sup>11</sup> Not printed.



Council to be kept fully informed frontier areas policy. First tasks Council to consider strike situation, high cost of living and recent actions of GOB under defence of Burma rules.

PACKER

845C.00/9-2846 : Telegram

*The Consul General at Rangoon (Packer) to the Secretary of State*

RANGOON, September 28, 1946.

[Received September 30—11:45 a. m.]

319. Executive Committee AFPFL issued statement approving AFPFL participation in interim government "only because committee feel present political deadlock must be broken for purposes of solving immediate issues facing government services (note that general strike was called by government service union) and rest of people in country and of holding fair and free general election 6 months hence; also because we think we have obtained acceptable basis which might enable us to progress towards national government".

Basis considered acceptable because President of AFPFL (Aung San) will take charge of defence and external affairs and be deputy chairman interim government, because interim government will be associated with frontier areas policy and because interim government will function as Cabinet of Ministers and Governor's veto power may be even less than powers of Viceroy India.

Committee's announcement states further "Interim government does not yet satisfy complete requirements of national government as we have envisaged", committee feels "relaxation of financial control by HMG as proposed far from satisfactory but committee does not feel for the moment like making issue which may affect question of immediate formation interim Government", AFPFL councillors in "no mood to promise anything, they cannot produce rabbits from empty hat".

PACKER

741.45C/10-946 : Telegram

*The Acting Secretary of State to the Ambassador in the United Kingdom (Harriman)*

CONFIDENTIAL

WASHINGTON, October 9, 1946—6 p. m.

7084. Rangoon reports<sup>12</sup> Burma Governor considering question exchanging commissioners UK, India and Washington. Dept replied<sup>13</sup> as follows: "Dept will welcome discussions exchange commissioners

<sup>12</sup> Telegram 339, October 4, 1946, 10 a. m., not printed; Mr. Packer reported his conversation with the Governor on Burmese matters (845C.00/10-446).

<sup>13</sup> Telegram 231, October 9, 1946, 6 p. m., to Rangoon.



appropriate time. Presumably Burma will exchange commissioners with UK and India before US. Organization stable cabinet after April 2 elections would seem best time exchange but if existing cabinet appears stable after few months Dept would consider exchange just prior April 2, particularly if nationalist leaders join Governor in desiring exchange." Dept would appreciate information re Brit view this matter provided you can secure information informally.

ACHESON

741.45C/10-1746 : Telegram

*The Secretary of State to the Consul General at Rangoon (Packer)*

SECRET

WASHINGTON, October 18, 1946—6 p. m.

242. Following received from London.

"8903 Oct 17. Exchange Burma commissioners discussed informally today with Burma office which professed be without knowledge governor's plans this connection. Official indicated when question arises in future Burma office thinking probably would parallel that in Dept's reply quoted Deptel 7084 Oct 9. He thought it possible Burma might want announce appointment commissioners UK, India and US simultaneously."

BYRNES

845C.00/11-846 : Telegram

*The Acting Secretary of State to the Chargé in the United Kingdom (Gallman)*

SECRET

WASHINGTON, November 8, 1946—3 p. m.

NIGHT LETTER

7614. Rangoon reports <sup>16</sup> Aung San and Anti-Fascist League pressing hard for rapid progress towards self-govt and Brit may yield to extent they have already yielded in India.

Unless you perceive strong objections please have Emb officer seek opportunity informally elicit answers following questions from appropriate Brit authorities.

1. What is Brit program for transition from Legislative Council elected April 2, 1947 to constituent assembly?

2. Do Brit contemplate making pre-election statement informing Burmese electorate regarding this program?

<sup>16</sup> Telegram 409, November 4, 1946, repeated in telegram 7594, November 7, 3 p. m., to London, not printed; it reported the likelihood of an early announcement of an "interim or national government" in Burma, when the establishment of formal diplomatic relations with foreign governments would be raised (845C.00/11-446).

3. Between now and implementation new constitution will Brit Burma policy parallel Brit India policy in such matters as governor's restraint of veto power, finance, defense and foreign affairs including exchange diplomatic representatives?

For your confidential info foregoing queries are prompted by following considerations:

1. Burmese strategic position on projected American air routes, as buffer between India and China and as potential major rice exporter justify American interest in peaceful and orderly constitutional progress.

2. Rangoon despatches indicate Communists are only political group other than AFL with sizeable mass support. Burmese opinion vigorously nationalist and extremely impatient with all delays in achieving self-government. Failure Burma to secure rapid constitutional progress and assurances further progress might cause large numbers non-communists to become discouraged and to join Communists in boycott April 2 elections.

3. Brit assurances that Burma will receive treatment parallel to that India and that transition from legislature elected April 2 to constituent assembly will be rapid and in accordance Burmese desires might avert extremely unfortunate developments.

ACHESON

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800.00 Summaries/11-1546: Telegram

*The Acting Secretary of State to the Consul General at Rangoon  
(Packer)*

SECRET

WASHINGTON, November 15, 1946—6 p. m.

269. Laithwaite of Burma Office stated that office is pleased with working of coalition Executive Council attributing it in part to "light rein" with which Gov Rance has been dealing with Council members. He mentioned that fact that elections will take place in Apr 1947 means that Brit have reduced to 20 months task for which originally 3 years considered necessary. Declared that road ahead for Burma was "independence within the Brit Commonwealth" that Indian pattern of development not necessarily best for Burma, and that future plans would be affected by way Burmese politicians measure up to their new responsibilities in Executive Council. Arthur Henderson <sup>17</sup> favors early dropping all Brit responsibilities and guidance in Burma.

ACHESON

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<sup>17</sup> British Parliamentary Under-Secretary of State for India and Burma.

124.45C/11-3046 : Airgram

*The Consul General at Rangoon (Packer) to the Secretary of State*

SECRET

RANGOON, November 30, 1946.

[Received January 8, 1947—9:12 a. m.]

A-142. For the Department's consideration in connection Deptel 231, October 9,<sup>18</sup> mytel 409, November 4:<sup>19</sup>

1. We could undoubtedly gain prestige with Burmans generally and particularly with Aung San and company were we first in the field to arrange exchange of diplomatic representatives with Burma. Such action would, I believe, be long remembered in Burma to our advantage in many ways.

2. Disadvantages of immediate action may be:

(A) Unfavorable British reaction: Britain which in postwar period has reversed prewar attitude and has been less liberal (perhaps because pressure was less) in her treatment of Burma than of India might resent our pushing matter. (I am of course without knowledge as to details of discussions which resulted in recent arrangement for exchange of ambassadors between US and India,<sup>20</sup> and as to whether that case might in principle serve as a precedent in respect of Burma.) Britain's attitude toward Burma is based in part, hypothetically at least, on slowness of pace of economic recovery here and on Burmese business ineptitudes (enclosure my despatch No. 65, November 7,<sup>21</sup> page 4) and also undoubtedly to some extent on desire of British business interests to maintain or strengthen their position here. London also may be hesitate [*hesitant*] to take action likely to strengthen position of Aung San and AFPFL.

(B) Increase of Aung San's prestige: While Aung San will, I believe, in any case win elections, any pre-election prestige he might gain from indicated action on our part would *pro tanto* enhance his chances and *pro tanto* attach responsibility to us for aiding however indirectly election of man who is considered in some quarters, both British and Burmese, as embryo Hitler, and who some time ago had certain unproven serious charges made against him (which have, however, not recently been revived.) Aung San's political opponents (Communists possibly included) might later accuse us of contributing to his success at polls. It may be noted that (a) there is little in Aung San's past to suggest he will ever become a second Kerensky and hesitate to meet force with force and (b) almost any future Burmese chief of state will probably employ strong-arm methods against opponents at times. (One non-AFPFL member of Executive Council remarked to me recently that he objected to "fascist methods used by anti-fascists" referring to intimidation methods employed by Aung San's followers.[])]

(C) Establishment of diplomatic relations before status of Burma proper and of Frontier Areas in relation to Commonwealth and to

<sup>18</sup> See footnote 13, p. 5.

<sup>19</sup> See footnote 16, p. 6.

<sup>20</sup> For further documentation on this subject, see vol. v, pp. 77 ff.

<sup>21</sup> Not printed.



each other is fixed and before internal order fully established: Precedent seems to have been already established in case of India where somewhat analagous sub-problems of Pakistan and principalities as well as that of internal order are likewise not yet settled.

3. I believe it will prove desirable to skip entirely proposed state of having our first diplomatic representative here rank as Commissioner (Deptels 231, October 9, and 242, October 18). While I am ignorant of reasons which prompted the timing of appointment of erstwhile Commissioner to India, development toward a responsible national government in Burma has apparently already passed stage which then existed in India. Programs of AFPFL and Executive Council foresee exchange of ambassadors and ministers (mytels 417, November 7, and 427, November 8<sup>22</sup>) with other countries.

4. While Governor's present Executive Council may not in fact have full Cabinet powers, it has powers closely approximating them. See mytel 333, October 3 and despatch 37, October 3<sup>22</sup> reporting Governor's statements to me that he would treat members as ministers; also Deptel 269, November 12 [15] and recent note\* to Department from British Embassy, Washington concerning price of Burmese and Siamese rice in which substantially same statement is made.

7. Although we may possibly wish to appoint envoy with rank no higher than that of Minister, it should, I believe, be assumed Burma national government will wish to appoint Ambassador to Washington (on basis of U.S.-India precedent) especially if, as seems probable from my 417 and 427, exchange of ambassadors with India and China should be decided upon (on basis of India-China and Siam-China precedents). It seems obvious our representative here should have equal rank. Possibly discreet suggestions to Governor and various Burmese leaders here and by Embassy, London, could avert appointment of any ambassadors but this is doubtful and probably in final analysis (considering current world trend) not worthwhile. Moreover, it would seem desirable to have our representative rank as Ambassador not only because of the prestige such rank would give him among the Burmese but because of the prestige it would give him among the British officials of the GOB and particularly vis-à-vis the Governor of Burma in the event that Burma should accept dominion status. My guess would be that the British will, in the light of their past action in Egypt and Iran, seek to have their diplomatic representative have the rank of Ambassador—perhaps be the only Ambassador—in the event Burma achieves full independence. Chinese Consul General informs me he recently informed Aung San he

<sup>22</sup> Neither printed.

\*Dated July 27, 1946. [Footnote in the original; note under reference not printed.]

hoped China would be one of the first countries to which Burma would send a diplomatic representative.

8. My opinion as of this writing is that the question of exchange of diplomatic representatives with United States will be raised by the Government of Burma, irrespective of whether the AFPFL or another political party then attains office, not later than shortly after April elections. If [It] may be sooner, if the British Government or Governor of Burma declares the present Government an Interim or National Government before January 31, 1947, date on which recent AFPFL ultimatum (mytel 432, November 31 [13])<sup>25</sup> expires.

9. Myint Thein, brother (see also mytel 339, October 4<sup>26</sup>) of Tin Tut, Finance Member, has recently been mentioned in confidence as possible appointee to Washington.

10. Acknowledgment by telegraph of the receipt hereof would be appreciated.

PACKER

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845C.00/12-646 : Telegram

*The Acting Secretary of State to the Chargé in the United Kingdom  
(Gallman)*

SECRET

WASHINGTON, December 10, 1946—2 p. m.

8099. Re Rangoon's 18 Dec 6<sup>27</sup> Anglo-Burmese negotiations appear to be at highly critical stage with considerable danger that unbending attitude MacDougall and Laithwaite will lead to reversal promising trend since Rance appointed present councillors Sept last. Believe breakdown now would lead to sporadic fighting and would accentuate turmoil other parts Southern Asia, giving communists and others splendid opportunity fish in troubled waters.

We are awaiting answers questions Deptel 7614 Nov 8 and hope you will find it possible continue on every appropriate occasion indicate our interest in Burma situation, particularly in peaceful transition Burma to self-govt.

Sent London 8099, repeated to Rangoon, 300.

ACHESON

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<sup>25</sup> Not printed.

<sup>26</sup> See footnote 12, p. 5.

<sup>27</sup> Not printed; sent to Department as 478, December 6, 1946, 10 a. m., repeated to London as 18. It reported the departure for London of Sir Raibeart M. MacDougall, Counsellor to Governor Rance and senior Civil Service servant in Burma, to present the Governor's views on current conditions (845C.00/12-646).



845C.00/12-1146 : Telegram

*The Secretary of State to the Ambassador in China (Stuart)*

SECRET

WASHINGTON, December 16, 1946—7 p. m.

1185. Rangoon advises Burma Govt requesting London grant freedom in conduct external relations and support Burmese admission UN. If London decision favorable Burma wishes establish legations Washington, Delhi, Nanking, Manila.

Dept does not believe exchange fully accredited ministers advisable until Burmese political situation more clarified. Should Brit and Burma Govts approach us this regard now we would suggest preference for exchange commissioners similar arrangements made with India 1941.

Foregoing for your information and discreet use. Keep Dept informed whether Govt to which you are accredited contemplates early exchange representatives with Burma.

Sent Nanking, New Delhi, and Manila.<sup>28</sup>

Repeated London and Rangoon <sup>29</sup> for information.

BYRNES

845C.00/12-1646 : Telegram

*The Secretary of State to the Chargé in the United Kingdom (Gallman)*

SECRET

WASHINGTON, December 17, 1946—6 p. m.

8197. Following is Sec 1 Rangoon's telegram 502 Dec 16 :

"1. Various Brit, Indian, Burmese and other observers are beginning fear unless London acts fairly quickly recognize Executive Council as national govt (my 409 Nov 4 <sup>30</sup>) disorders and bloodshed may result. In my opinion His Majesty's Govt should not allow time limit (Jan 31) contained ultimatum recently served by AFPFL (my 432 Nov 13 <sup>31</sup>) to approach too near before effecting such recognition. (Had London acted earlier, occasion for ultimatum, at least in such form, would not have arisen). It should, to be sure, be remembered this connection AFPFL has everything to gain nothing to lose if it acquires fuller powers than it now has before elections occur; this fact may partially explain London's slowness act.

2. Bickford <sup>32</sup> indicated me Dec 6 present Executive Council not considered be interim or national govt (mytels 477 [Dec 5] and 478 Dec 5 [6] <sup>33</sup>)."

<sup>28</sup> As telegrams 1185, 929, and 853, respectively.

<sup>29</sup> As telegrams 8181 and 306, respectively.

<sup>30</sup> See footnote 16, p. 6.

<sup>31</sup> Not printed, but see paragraph 8 of airgram A-142, November 30, from Rangoon, p. 8.

<sup>32</sup> W. R. Bickford, secretary to the Department of Defense and External Affairs of Burma.

<sup>33</sup> Neither printed, but regarding telegram 478, December 6, see footnote 27, p. 10.

Dept believes foregoing emphasizes need prompt action and report along lines indicated Deptels 7614 Nov 8 and 8099 Dec 10.

BYRNES

845C.00/12-1646 : Telegram

*The Secretary of State to the Consul General at Rangoon (Packer)*

SECRET

WASHINGTON, December 20, 1946—4 p. m.

314. Following for your information only. Deptel 7614 London Nov 8 requested Emb ask: (1) What is program Brit for transforming April 1947 legislative council to constituent assembly? (2) Do Brit expect make pre-election statement re this program? (3) In interim will Burma policy parallel India policy in matters like Governor's restraint veto power, defense, foreign affairs and finance?

London's 10137 Dec 18<sup>34</sup> reports long conversation Dec 17 with F.W.H. Smith, Acting Asst Under Secretary for Burma.

1. MacDougall was sent London convince Burma Office deterioration political situation and urge prompt action telescoping April elections with formation constituent assembly. Rance suggested either (a) Burma cabinet mission similar last spring's India mission or (b) dispatch London Burmese delegation headed by Aung San. Sir Gilbert Laithwaite left quietly last week. Brit Cabinet prefers second alternative. Burma office not certain but hopes Burma's leaders can arrive London Jan.

2. Burmese politicians believed eager discuss Indian parallel and right opt out of Commonwealth. Smith considers such points suitable discussion along with status tribal areas and Burmese representation abroad. Burmese not preparing for diplomatic representation now because urgent press other matters. Re Deptel 306 Dec 16<sup>35</sup> Smith considers idea exchanging commissioners sound in principle.

3. Re questions Deptel 7614 Nov 8 London Smith replied: Question (1) Program may be worked out with Burmese leaders London next month. Burma Office prefers telescope the two. Question (2) Publicity attentive [*attendant?*] Burmese leaders coming London and results conversations would be widely distributed. Question (3) Brit India policy not good parallel with Burma. Governor exercising lightest possible rein on Council and problem is negligible. Governor can not legally abrogate heavy responsibilities without Parliamentary authority. Brit Treasury would disfavor Governor's failure retain financial veto while Treasury retains responsibility. This problem will also probably be discussed Jan meeting.

4. Emb reiterated US concern and interest re Burma particularly re peaceful transition self-govt.

<sup>34</sup> Not printed.

<sup>35</sup> See footnote 29, p. 11.

5. Contents urtel 502 Dec 16 Sec 1<sup>36</sup> put to Smith with full protection source. Smith said Burma Office has these points very much in mind. Outstanding problem now being considered London conditions which Burmese leaders attach to going to London and extent to which Brit govt can accept these conditions.<sup>37</sup>

BYRNES

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845C.00/12-2346 : Telegram

*The Secretary of State to the Consul General at Rangoon (Packer)*

WASHINGTON, December 24, 1946.

320. Reur 520 Dec 23.<sup>38</sup> In response press request for comment Dept informally and orally released following Dec 21:

"We welcome Mr. Attlee's invitation Burmese political leaders come London discuss political future Burma. US has many good friends in Burma, including those who gave invaluable assistance our troops North Burma in campaign against Japanese.

In Oct 1946 Brit gave to representative Burmese leaders important and responsible posts Burma Govt and it is our confident hope London talks will result in future progress toward agreed goal of full self-govt for that important Asiatic country."<sup>39</sup>

BYRNES

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<sup>36</sup> See *supra*.

<sup>37</sup> In telegram 10194, December 20, 1946, from London, the statement read by British Prime Minister Clement R. Attlee that morning to the House of Commons in regard to Burma was quoted in full. It mentioned that Burmese leaders were to be invited to London to consult about implementing proposed changes for Burma. "It is for people of Burma to decide their own future but we are certain that it will be to their interest as it will be to ours if they decide to remain within the Commonwealth. . . ." (845C.00/12-2046)

<sup>38</sup> Not printed.

<sup>39</sup> On January 2, 1947, the Burma Office in London announced acceptance by the Governor of Burma's Executive Council of the British invitation to send a delegation for discussions in England and stated that the group would be led by the Deputy Chairman of the Council, U Aung San, with talks beginning the week of January 13.



## CHINA

[For documentation regarding relations of the United States with China, see *Foreign Relations*, 1946, Volumes IX and X.]



## FRENCH INDOCHINA

### THE INTEREST OF THE UNITED STATES IN NATIONALIST OPPOSITION TO RESTORATION OF FRENCH RULE IN INDOCHINA<sup>1</sup>

851G.00/1-2446 : Telegram

*The Secretary of State to the Assistant Chief of the Division of Southeast Asian Affairs (Landon), Then at Saigon*

SECRET

WASHINGTON, January 28, 1946—noon.

Please proceed Hanoi, remaining such time as you consider necessary, and report to Dept as fully as possible on conditions northern Indochina and especially on any French-Viet Minh negotiations. D'Argenlieu<sup>2</sup> understood to have stated privately that French negotiations with Ho Chi Minh<sup>3</sup> have been proceeding since late Nov and satisfactory agreement anticipated by end of Jan. Other reports deny existence negotiations. D'Argenlieu also reported to have expressed personal willingness accept Philippine model for Annam with independence at end 30 years. Urtel from Saigon received Jan. 24<sup>4</sup> appreciated. Please try to secure maximum information details French or Annamese economic agreements with Chinese and status of such agreements.

BYRNES

851G.00/1-3046

*Memorandum of Conversation, by Mr. Richard L. Sharp of the Division of Southeast Asian Affairs*

RESTRICTED

[WASHINGTON,] January 30, 1946.

Participants: Brigadier General Philip E. Gallagher, War Department;  
Colonel Vittrup, War Department Liaison;  
Mr. Charles S. Reed, FSO;  
Mr. Woodruff Wallner, WE;

<sup>1</sup> For previous documentation on the future of Indochina, see *Foreign Relations*, 1945, vol. vi, pp. 293 ff.

<sup>2</sup> Adm. Thierry d'Argenlieu, High Commissioner of French Indochina.

<sup>3</sup> "President of the Provisional Government of Vietnam Democratic Republic".

<sup>4</sup> Not printed, but see paragraph 2 of telegram 182, January 30, 6 p. m., to Chungking, p. 21.

Mr. Abbot Low Moffat,<sup>6</sup> SEA;  
Mr. R. L. Sharp, SEA.

General Gallagher, who had been in Hanoi and vicinity between August 22 and December 12, 1945, was introduced by Colonel Vittrup.

Asked when, in his opinion, the Chinese would get out of Indochina, General Gallagher said that General Lu Han<sup>7</sup> had told him the Chinese would move out when the job given them by the Allies was completed. General Gallagher said he thought they really intend to do this although the whole matter depends upon the removal of the Japanese. To date, shipping for this purpose has not been available but now it is understood that United States bottoms will be used. The question is, therefore, when will such ships be allocated. General Gallagher said he had recommended to General Wedemeyer<sup>8</sup> that high priority should be given such allocation. There are some 20 to 30 thousand Japanese in Haiphong and the Do Son Peninsula. No political settlement can be reached in Indochina until the Chinese move out and they cannot do that until the Japanese are repatriated. General Gallagher added that he thought US army teams would have to be put into Indochina to concentrate and prepare the Japanese for evacuation.

General Gallagher was asked whether he knew of any arrangement whereby French forces moving into the north would overlap departing Chinese forces. He replied that in December Sainteny<sup>9</sup> said that no French would enter until the Chinese left. General Gallagher thought the French were probably not getting very far in negotiating with the Chinese on problems connected with their removal. Unless in the meantime something has been arranged between the French and the Chinese, the French would probably infiltrate overland from the south rather than land in force in northern ports.

General Gallagher pointed out that little love was lost between the Chinese and the French; that the presence of the American group in Hanoi restrained anti-French Chinese action; and that he himself had influenced General Lu Han to bring Sainteny and Ho Chi Minh together and confront both with a strong directive that order must be maintained. The existence of a vacuum in the north with neither French nor Chinese troops present would be extremely dangerous, for the Annamese would react strongly against all French in the area, who would be helpless in protecting themselves. To take over successfully, the French would need a sufficient force to cover the whole

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<sup>6</sup> Chief, Division of Southeast Asian Affairs.

<sup>7</sup> Commanding General of Chinese armed forces in Indochina.

<sup>8</sup> Lt. Gen. Albert C. Wedemeyer, Commanding General, U.S. Forces, China Theater, and concurrently Chief of Staff, China Theater.

<sup>9</sup> Jean Sainteny, French Commissioner of Tonkin and North Annam.



north. One or two modern French divisions could, in General Gallagher's opinion, defeat the Annamese.

In response to the question whether the French could do more than take key cities, he admitted that the Annamese would take to the hills and continue guerrilla warfare. Even in Saigon, he pointed out, things are far from peaceful despite British and French claims to the contrary. Establishment of French control could be speeded up if they were able to make large-scale air drops throughout the north. The Annamese, however, are well organized and, so far as small arms go, are quite well armed, although they have no navy, shore batteries and probably little artillery.

The question was raised whether the French mission in Hanoi was in fact negotiating with Ho Chi Minh. General Gallagher replied that the Viet Minh Provisional Government was at first willing to negotiate; then in October, after de Gaulle's<sup>10</sup> pronouncements on colonial policy, the Annamese refused to negotiate with the French and reacted vigorously against all French nationals in Hanoi. The Chinese may succeed in putting in a less anti-French Annamese government so that negotiation might go forward. All French efforts to stimulate a palace revolution against Ho were of no avail. Ho himself will not deal with the French. The Viet Minh is strong and, regardless of possible superficial changes in the Provisional Government, Ho will be behind any continuing Annamese movement. General Gallagher said that Sainteny had told him he expected peaceful agreement between the French and the Annamese would be reached by negotiation.

General Gallagher was asked how effective the Viet Minh administration would be with neither French nor Chinese forces present. He replied that on the whole he was impressed by the remarkably effective Annamese administration. There was an able personnel; they were all enthusiastic and young, but there were too few of them. Whatever their technical skill, they perhaps lack executive ability and experience since the technical services in Hanoi were at first very well run but gradually deteriorated. Trained people for the government and at the municipal level are lacking. In General Gallagher's opinion the Annamese are not yet ready for self-government and in full-fledged competition with other nations they would "lose their shirts". However, the demand for independence is widespread and even in the villages the peasants refer to the example of the Philippines.

Ho is willing to cooperate with Great Britain, USSR, or the United States and would perhaps even settle for French tutelage if that were subordinated to control by the other nations. French control alone,

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<sup>10</sup> Gen. Charles de Gaulle, President of the Provisional Government of the Republic of France until January 26.



however, will be strongly resisted. The deep-seated hatred for the French has been fanned by exceedingly clever Viet Minh propaganda.

General Gallagher was asked whether the Annamese were realistic regarding their ability to stand up against French military force. While they are too enthusiastic and too naïve, he said, they probably know that they will be licked. They are strong on parades and reiterate their willingness "to fight to the last man", but they would be slaughtered and they have been told that and probably know it. The Annamese would be no match for forces with modern arms even if they themselves have some, which they may have since the Chinese found no Japanese rolling artillery and numerous Japanese anti-aircraft guns seem to have completely disappeared. United States Army representatives never did learn the extent of arms controlled by the Viet Minh. Certainly the Chinese are not turning Japanese arms over to them. Before V-J Day the Japanese undoubtedly had armed and trained many Annamese. A Japanese general claimed they had taken over on March 9 simply because the French could no longer control the Annamese, but this statement General Gallagher characterized as a lie. He had heard that under the pretext of arming Annamese gendarmes for police duty in Hanoi, the Japanese had actually armed three distinct contingents, dismissing each group when armed and bringing in a new one to be armed and trained. Furthermore, the Annamese had acquired Japanese arms from arsenals which had been opened. General Gallagher did not know whether or not Tai Li <sup>11</sup> was sending arms to the Viet Minh.

General Gallagher was asked whether the presence of French hostages in the north would restrain French forces when they enter the region. He pointed out that only a few French civilians had been removed by air. All the rest, besides some five thousand disarmed French troops, were still to be removed. The Chinese cannot take them out nor would Lu Han even permit their evacuation to the Do Son Peninsula. Their presence had been a constant restraining influence on Sainteny. Asked whether the Annamese would let these French be evacuated, General Gallagher replied that they would have to if the Chinese were still there, but that these French nationals would be a real problem if the Chinese were moved out. The American Army group had to exert considerable pressure on the Chinese to get them to give any freedom at all to French civilians in Haiphong, Hué and other centers besides Hanoi. However, the Chinese and French alone had arranged for shipments of food from the south. The American group, incidentally, had to intervene to prevent the monopoly by the French of such food or of food distributed by the U.S. Army. The

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<sup>11</sup> Deputy Director, Bureau of Investigation and Statistics, Chinese National Commission of Military Affairs.

French nationals could be evacuated from Hongai and Tourane by the United States when the Japanese were removed if the Chinese would concentrate them at those ports. However, General Gallagher noted, that would place us in a position of working against the Annamese.

Originally, General Gallagher explained, the French expected the United States to play the same role in the north that the British were playing in the south. When they found us neutral they became more and more antagonistic and did everything possible to persuade United States personnel to favor the French position. They had no appreciation of the actual help which the American group gave to the prisoners of war and some of the civilian French in the form of food, medical aid, and so on. The Annamese, too, expected American help originally, having been thoroughly indoctrinated with the Atlantic Charter and other ideological pronouncements. In our neutral role we were thus a disappointment to both sides.

In response to a question, General Gallagher gave his opinion that Lu Han would be faithful to Chungking although as governor of Yunnan he would also be influenced to maintain as fully as possible relations between Yunnan and north Indochina which would be profitable to him.

General Gallagher said that the half dozen or so top French military officers held by the Japanese had been returned to France shortly after Sainteny reached Hanoi. He did not know what had happened to Decoux.<sup>12</sup>

Asked how "communist" the Viet Minh were, General Gallagher replied that they were smart and successfully gave the impression of not being communist. Rather, they emphasized their interest in independence and their Annamese patriotism. Their excellent organization and propaganda techniques, General Gallagher pointed out, would seem to have the earmarks of some Russian influence. General Gallagher stated that the minority Cao Dai group were definitely Communist. In his opinion, however, the Viet Minh should not be labeled full-fledged doctrinaire communist.

At the present time the Hanoi radio is controlled by the Chinese so that there is communication between Hanoi and Saigon. A British military and civilian liaison team was sent to Hanoi and a Chinese counterpart to Saigon. The British in Hanoi at first made little progress with the Chinese but General Gallagher understands they have since made more headway.

The Chinese 60th Army in the south of the Chinese zone and the 93rd Army around Hanoi, both totalling some 50 thousand men, have

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<sup>12</sup> Vice Adm. Jean Decoux, Governor of French Indochina, became a prisoner of war of Japan in March 1945.



been told to concentrate for removal to Manchuria, but whether they have actually moved out or not General Gallagher does not know. By December, however, the Chinese 53rd Army had begun to come in from Yunnan and would probably provide replacements for the other two Armies.

General Gallagher noted that magnetic mines have not been entirely cleared at least from the northern ports and that the threat provided by these mines has helped and would continue to help keep the French from undertaking large-scale landing operations in that area. He felt that regular rail communications between Saigon and Hanoi might not be opened for another year.

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851G.00/1-3046 : Telegram

*The Assistant Chief of the Division of Southeast Asian Affairs  
(Landon) to the Secretary of State*

SECRET

SAIGON, undated.

[Received January 30—3:15 p. m.]

[War Series Saig 597.] Following based on conversation with De Raymond who is Admiral's political adviser and inspector of colonies. Gist of French-Cambodian agreement: Should be understood against background that Cambodia is small country of 3,000,000 squeezed between two hostile nations, namely, Annamite and Siamese. Also fear of Annamite minority. Cambodia requested and received protection of French. Before the war Cambodia was in principle an absolute monarchy. Present government is *modus vivendi* awaiting completion of new federal constitution and agreements with other states. If other states receive more liberal treatment then Cambodian agreement will be broadened to match. Principle of present agreement is that all internal affairs will be strictly under Cambodian management. All federal affairs concerning Cambodia will be joint responsibility of Cambodians and Federal Government.

1. There will be two assemblies. Firstly, that of the states consisting of three representatives each for Cambodia, Laos and Cochin China and provisionally three each for Tonkin and Annam. Later, however, Tonkin and Annam may become single state. These representatives will be chosen by governments of the various states but in some cases where government not yet functioning they will be provisionally appointed by High Commissioner of the Republic for Indochina. Secondly, the popular Cambodian Assembly, to be elected by the people by system of suffrage, not yet agreed upon.

2. Prime Minister and Cabinet will be Cambodian. At first they will be appointed by Emperor. Later will be responsible to popular Assembly. Governors of provinces will also be Cambodian.



3. There will be one French High Commissioner for Cambodia (at present Gen. Allessandry). He is appointed by the High Commissioner of the Republic for Indochina. He will have no control over internal Cambodian affairs, only federal. Certain other Commissioners will also be appointed by High Commissioner for Indochina. These Commissioners may be either French or native but will be responsible to Federal Government. These Commissioners are to deal only with federal affairs in Cambodia such as federal finance, federal communications, roads, railways, waterways, post and telegraph, large public works which require inter-state agreement or federal financial assistance.

4. There will be Cambodian army consisting of eight or nine battalions commanded by Cambodian officers assisted by French if requested. Also purely Cambodian police force. Also some federal troops and federal police.

5. Governors of principal provinces will have French advisers who will have no executive functions.

6. Cambodian ministers may also have French technical advisers if they want them.

7. [Apparent garble] one of two systems will be followed, probably the second. Firstly, Cambodians may collect all taxes which will then be split percentagewise between Cambodia and Federal Government. Secondly, direct taxes would go to Cambodian Government and indirectly to Federal Government.

8. In all it is expected there will be less than 50 French functionaries in Cambodia as against several hundred prewar. Comment: In my opinion present French administration wishes to give Cambodians a square deal. For good reasons it is impossible to make specific and complete agreement now. Present *modus vivendi* is necessarily incomplete, tentative, vague. For this reason, French not willing at present to publish it. Everything will depend on how French administer it. French also have problem in that a few wealthy Cambodian families are only persons qualified for high positions. Danger is they may misuse power. If Admiral has his way it will be administered fairly and liberally and be real step toward native self-rule. If reactionaries get hold of administration, there is nothing to prevent their putting Cambodia right back where it was before.

[LONDON]

851G.00/1-2446: Telegram

*The Secretary of State to the Embassy in China at Chungking*<sup>13</sup>

SECRET

WASHINGTON, January 30, 1946—6 p. m.

182. 1. Yuen Tse Kien, political adviser to General Lu Han at Hanoi, informed Kenneth Landon, a Dept officer now at Saigon, that both Annamese and French have already promised to grant requests

<sup>13</sup> General of the Army George C. Marshall, Special Representative of President Truman in China, with the personal rank of Ambassador, headed a mission to China during 1946, but the post of Ambassador to China remained vacant until July when Dr. John Leighton Stuart was appointed.

by China for such economic privileges as free access to Haiphong and use of railroad without discriminatory taxation. Dept understands French-Chinese conversations on economic concessions and also withdrawal Chinese troops northern Indochina proceeding Chungking and Hanoi. Dept would greatly appreciate any information on details French concessions to Chinese and form and status of any understanding. Dept also anxious to secure all possible information on Chinese plans withdrawal northern Indochina.

2. Dept has requested Landon to proceed Hanoi to report on conditions and on reported French-Viet Minh negotiations. D'Argenlieu understood to have stated privately that French negotiations with Ho Chi Minh had been in progress since late Nov and satisfactory agreement anticipated about end of Jan. Also that he personally would be willing accept Philippine model with Annamese independence at end 30 years. Other reports deny existence such negotiations.

3. . . .

BYRNES

851G.00/2-246 : Telegram

*The Counselor of Embassy in China (Smyth) to the Secretary of State*

SECRET

CHUNGKING, February 2, 1946—3 p. m.

[Received February 3—9:48 a. m.]

208. Deptel 182, Jan. 30. During conversation yesterday with Dr. Kan Nai-kuang, Vice Minister Foreign Affairs, he said negotiations with French regarding Indochina had not been completed. He said that Clarac, a French official from Indochina, was due to arrive Chungking yesterday for negotiations.

Dr. Kan said French military officials from Indochina are now in Chungking for discussion of withdrawal of Chinese troops from northern Indochina but that no decisions had yet been reached. He said Chinese intended of course to withdraw when their mission under armistice terms has been completed. Dr. Kan said Chinese troops would probably withdraw first from Laos area.

Dr. Kan said that no agreement has been reached between French and Vietminh, and that Vietminh apparently wanted more in way of autonomy and independence than French were willing to concede.

Dr. Kan volunteered comment that de Gaulle's retirement might possibly mean some change in French position in Indochina, as elements now in power in France might not wish to send large French military forces to Indochina.

Dr. Kan said he would be glad to keep us informed on negotiations mentioned above.

SMYTH



851G.00/2-446 : Telegram

*The Secretary of State to the Ambassador in France (Caffery)*

SECRET

WASHINGTON, February 4, 1946—4 p. m.

564. Reports indicate d'Argenlieu and Leclerc<sup>14</sup> lead opposing factions among Indochina French, Leclerc the *intransigent* and uncompromising colonial-minded and d'Argenlieu the conciliatory and moderate. Dept would appreciate information from time to time indicating which man and viewpoint has stronger French Govt backing.

BYRNES

851G.01/2-546 : Telegram

*The Assistant Chief of the Division of Southeast Asian Affairs (Landon) to the Secretary of State*

SECRET

SAIGON, February 5, 1946.

[Received February 5—5:05 p. m.]

War Series Saig 0927. Reference Wash 06067. We are already in position to shed some light on questions asked.

1. D'Argenlieu-Ho Chi Minh negotiations have in fact been going on since November. These negotiations looking toward French recognition of independence for Annamites to be worked out somewhat along Philippine lines. I have no knowledge of period time contemplated. Negotiations would probably have been completed by now but for Leclerc raising an objection. He told the Admiral's Council that if these negotiations succeeded the French might as well leave Indochina altogether. He recommended military reconquest and state[d] HQS Army was all ready for it. Nevertheless negotiations were later resumed and are continuing between Ho Chi Minh and Sainteny who is French Commissioner for Tonkin. Hope they will be completed in 2 or 3 weeks.<sup>15</sup>

2. There are no Chinese economic agreements with the Annamites:

3. Reference Franco-Chinese agreements nothing formal yet. Temporary and local agreements are as follows:

a. In north French pay in piastres for maintenance of Chinese troops. These payments considered as advances on amounts French are supposed to receive as war damage from Japanese.

b. Small part of these piastre advances is supposed to be used for withdrawal of some Chinese gold units at official rate.

c. Chinese Government advances gold units which are freely convertible into Chinese national dollars for expenses of French repre-

<sup>14</sup> Maj. Gen. Jacques-Philippe Leclerc, Commander in Chief of French Forces, Far East.

<sup>15</sup> This paragraph was reported by the Department in its telegram 630, February 7, 1946, 1 p. m., to Paris, not printed.



sentatives in Chungking, Kunming and Shanghai. Such advances are only fraction of amount French are paying for Chinese troops.

d. There is an agreement for exchange of Hanoi coal for Cochin China rice. Due to lack of shipping and troubles of various sorts the volume of exchange under this agreement has been disappointingly low.

4. Clarac now in Chungking laying groundwork for important agreements. Among other things following are contemplated:

a. Yunnan-Haiphong Railway will be operated jointly by Chinese.

b. Haiphong will become free port.

c. French will exchange all live (*sic*) hundred piastre notes held by Chinese military. This will be very profitable to Chinese who have been buying them up all over country at depreciated prices.

d. Chungking with assistance of Chinese Consul Saigon is now preparing list of existing French laws and practices which tend to discriminate against Chinese businessmen in Indo-China. Principal complaints are poll tax, other discriminatory taxes, discrimination in amounts of money allowed to be exported, import difficulties and allegedly unfair distribution of rationed goods. French indicate willingness to consider adjusting these points.

[LONDON]

851G.00/2-646 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, February 6, 1946—9 p. m.

[Received February 7—12:45 a. m.]

595. Dept's 564, February 4. While I have not as yet detailed information on the differences of opinions between D'Argenlieu and Leclerc on French policy toward Indo-China all indications in Paris point to the fact that the French Govt at this time favors a conciliatory and moderate policy. The Foreign Office has been stressing to the Govt the fact that in the light of the evolution of events in the Far East and Southeast Asia, French interests can best be safeguarded by a liberal and progressive colonial policy in Indo-China. The Socialist Party, which at present is in a position to exercise much influence on French governmental policy, is also in favor of such a policy as is the present Socialist Minister of Colonies, Marius Moutet. This does not mean, however, that they are thinking in terms of independence for Indo-China for no Frenchmen appear to be thinking in such terms.

While it is, of course, impossible at this time to gaze too far into the future, present evidence would seem to indicate that the present Govt will try to follow a conciliatory and moderate policy in Indo-China and will be more progressive in its outlook than the de Gaulle

Govt.<sup>16</sup> As the Dept is aware, in the latter Govt the influence of certain old-line military leaders sometimes had an unfortunate influence on French colonial policy.

CAFFERY

851G.00/2-1646: Telegram

*The Assistant Chief of the Division of Southeast Asian Affairs (London) to the Secretary of State*

SECRET

HANOI, February 16, 1946.

PRIORITY

[Received February 20—10:34 a. m.]

2. From Landon for Moffat and Culbertson:<sup>17</sup> Chinese informally state that French are negotiating two instrument[s] at Chungking:

1. An agreement in regard to Chinese troops in Indochina.

2. A treaty of commerce: That the agreement touches on:

a. The amount to be paid the Chinese by the French to cover troop expenses in Indochina.

b. Help to be given French troops by Chinese to reestablish themselves in Tonkin.

c. Time and method of withdrawal of Chinese troops. It is believed that French want Chinese to withdraw *in toto* at once and to coordinate their withdrawal with French entry while Chinese want to withdraw piecemeal over an extended period. In this connection 93rd Army began withdrawing on 15 February when 18th Division started marching toward Nanking; that about every 10 days another division will begin march until all of 93rd Army exits. Ho Chi Minh wanted to advise on what Annamese should do now that Chinese are beginning exit and about 5,000 French troops from China now at Laichau near Laokay railroad to Hanoi. He stated that although French troops supposed headed for Laos nothing to prevent their entraining any day for Hanoi for *coup d'état*. Ho Chi Minh did not seem to fear French troops at Laichau. Other Annamese express belief Annamese capable of disarming Chinese troops in Tonkin. It seems certain that Annamese plan desperate resistance to French. Ho Chi Minh stated that he considering petitioning all United Nations to mediate Annamese independence and prevent extensive bloodshed. In this connection Chinese state that heavy loss of lives seems inevitable and that they would like to refer Indochina situation to UNO but cannot do so because of Chinese position in regard to Manchuria. The alleged Sino-French treaty of commerce said by Chinese to be stalled over question of status of Chinese in Indochina. Chinese require most favored nation treatment for Chinese nationalists on

<sup>16</sup> Ambassador Caffery reported in telegram 849, February 21, 1946, 3 p. m., that the French Government had decided to give Admiral d'Argenlieu, then on a visit to Paris, "general authority to endeavor to reach a solution with the native elements, meeting them much more than half way". (851G.00-2146)

<sup>17</sup> Paul T. Culbertson, Chief, Division of Western European Affairs.



Chinese basis of citizenship namely *jussanguinis*. This treaty of commerce supposed to include concessions by French to Chinese of:

- [1,] Free access to port of Hanoi.
- 2, Joint control of Haiphong-Yunnan railroad.
- 3, Joint share of profits on China end of line.
- 4, Duty free transit of goods consigned to China.

These concessions based on Chinese claim of heavy losses due to French permission to Annamese to use Tonkin as base attack China. French Major Sainteny optimistic over quick agreement with China although Clarac's return delayed indefinitely. Sainteny intimated that although not formally seated [stated?] the treaty of commerce will be contingent on Chinese troops' assistance and coordination.

[LONDON]

851G.00/2-1946: Telegram

*The Secretary of State to the Consul at Saigon (Reed)*

SECRET

WASHINGTON, February 19, 1946.

Chinese FonOff informed Embassy<sup>18</sup> that Sino-French negotiations regarding Indochina now reaching final stage with following main points:

A. Chinese troops will probably commence withdrawal Indochina in Mar. Schedule and other details under discussion. French advancing necessary expenditure for Chinese troops which will be charged to Jap account.

B. Rights and exemptions heretofore enjoyed by Chinese residents such as Chinese schools, Chinese commercial bookkeeping, etc., to be maintained. That part of railroad within Chinese territory will be restored to China. Goods exported from or destined to China through Haiphong to be exempt from customs duties and transit dues. A specified zone in Haiphong to be set aside for Chinese customs administration including necessary warehouses, etc.

Sent Saigon for Reed and Hanoi for Landon.

BYRNES

851G.00/2-2746: Telegram

*The Assistant Chief of the Division of Southeast Asian Affairs  
(Landon) to the Secretary of State*

SECRET

HANOI, undated.

[Received February 27-11:45 a. m.]

From Landon for Moffat and Culbertson.

1. Sainteny stated that in conversation with Ho Chi Minh he offered Annamese complete independence within French community:

<sup>18</sup> Telegram 280, February 13, 1946, 9 a. m., from Chungking, not printed.



That this meant that Annamese would have benefit of French advisers in every department of Government: That for instance Annamese Foreign Office would express its policies through French channels: That Annamese Army and War Ministry would be coordinated with French Army and War Ministry: And that Annamese if [*in?*] Finance and Commerce Ministries would heed French advisers as Annamese were inexpert in these matters and might jeopardize [apparent garble] French investment. Sainteny said that Annamese in Cochin China would probably prefer to remain French Colony rather come under northern Annamese Government. In this connection Ho Chi Minh said that French officials had conferred with him but that they were vague in their comments and had avoided the real issues of Annamese independence so that he had asked them to get specific terms from Paris which would make clear whether the French really offered Annamese independence or were merely using new language to describe usual French control Annamese affairs.

2. Ho Chi Minh handed me two letters addressed to President of USA, China, Russia, and Britain, identical copies of which were stated to have been forwarded to other governments named. In two letters Ho Chi Minh requests USA as one of United Nations to support idea of Annamese independence according to Philippines example, to examine the case of the Annamese, and to take steps necessary to maintenance of world peace which is being endangered by French efforts to reconquer Indochina. He asserts that Annamese will fight until United Nations interfere in support of Annamese independence. The petition addressed to major United Nations contains:

a. Review of French relations with Japanese where French Indochina allegedly aided Japs:

b. Statement of establishment on 2 September 1945 of [Provisional Government of?] Democratic Republic of Viet Minh:

c. Summary of French conquest of Cochin China begun 23 Sept 1945 and still incomplete:

d. Outline of accomplishments of Annamese Government in Tonkin including popular elections, abolition of undesirable taxes, expansion of education and resumption as far as possible of normal economic activities:

e. Request to four powers: (1) To intervene and stop the war in Indochina in order to mediate fair settlement and (2) to bring the Indochinese issue before the United Nations Organization. The petition ends with statement that Annamese ask for full independence in fact and that in interim while awaiting UNO decision the Annamese will continue to fight the reestablishment of French imperialism. Letters and petition will be transmitted to Department soonest.

[LONDON]

751.93/2-2446: Telegram

*The Assistant Chief of the Division of Southeast Asian Affairs  
(Landon) to the Secretary of State*

SECRET

HANOI, February 24, 1946.

[Received February 27—4:46 p. m.]

9. Landon to Vincent,<sup>19</sup> Moffat, Culbertson: Clarac returned from Chungking and stated that French relations with China being placed on completely new basis in series of agreements, some of which completed. He gave no effective dates, implying that everything hinged on effectiveness of Chinese aid in reestablishment of French control in Indochina. Following points covered:

(1) Agreement relinquishing extra-territorial rights, similar in wording to Sino-British agreement;

(2) Agreement on general situation Chinese in Indochina which improves Chinese situation slightly but changes it in no respect. French offered Chinese situation comparable to that of French but Chinese refused on grounds taxation. Present agreement states that although Chinese will be taxed by communities as usual and not as individuals, that their individual taxes will not be more severe than taxes on other aliens on basis most favored nation;

(3) Agreement still incomplete on status of Chinese reconcile Chinese law *jus sanguinis* with French law *jus soli*. French reject dual citizenship as impossible in Malaya [*sic*] and propose that adult Chinese elect either Chinese or local citizenship;

(4) Agreement ceding areas port of Haiphong for use Chinese customs and transit dues not to be placed on goods exported from or destined to China via Haiphong;

(5) Agreement ceding Chinese part of railroad line in China. Simultaneously letters were exchanged granting Chinese and French railroad companies privilege of ownership of  $\frac{2}{5}$  of other's stock making possible mutual aid in maintenance of railroad and share of other's profits. Chinese not yet agreed to this but hold option;

(6) Sino-French agreement on withdrawal of Chinese troops and extent of Chinese aid to French still confidential. In general, believe it is as stated in my message 2 of February 16. Clarac stated frankly French need Chinese aid in reestablishing themselves in Tonkin and implied that French prepared to act quickly and matter would be settled in 6 weeks. He stated that Chinese chief concern now with Manchuria situation<sup>20</sup> where Russians seem to be [apparent garble] Chinese, also that Chinese anxious quickly to fulfill obligations on Indochina to avoid Russian criticism and to set example for Russians to follow in Manchuria. In this connection 93 Army moving troops on schedule into China. However, 60 and 53 Armies making no move as ships will be required for part or all.

(7) . . . .

<sup>19</sup> John Carter Vincent, Director, Office of Far Eastern Affairs.

<sup>20</sup> For representations against Soviet removal of Japanese industrial equipment from Manchuria as war booty, see volume x.



(8) Leaving 25 February for Saigon consultation Reed,<sup>20a</sup> then proceed Bangkok en route Washington as instructed. Inform family.

[LONDON]

751.93/2-2846 : Telegram

*The Counselor of Embassy in China (Smyth) to the Secretary of State*

SECRET

CHUNGKING, February 28, 1946—5 p. m.

US URGENT

[Received 11:12 p. m.]

394. Embassy's 280, February 13.<sup>21</sup> This afternoon Dr. Wang Shih-chieh, Minister for Foreign Affairs, called me to Foreign Office and said that Sino-French treaty on Indochina would be signed at 4 p. m. today. He said main points in treaty were as given to me by Vice Minister Liu Chieh on February 12.

Dr. Wang said that Chinese forces would hand over control of their area in Indochina at end of March. Chinese troops would withdraw from Indochina at end of March. Chinese troops would withdraw from Indochina during March, by sea and land, but due to difficulties of shipping and of withdrawal by land, Chinese forces would probably not be able to complete withdrawal until a short time after end of March, not later, he felt sure, than April 15.

He said that Chinese Government had informally but emphatically urged French authorities to reach a "bloodless" agreement with the Indochinese; he expressed opinion that present French Government is less intransigent than that of de Gaulle. He said that Chinese in Indochina had also urged the Indochinese to reach a "bloodless" agreement with French.

Dr. Wang said that the Chinese Government would be willing to mediate between French and Indochinese, if requested by both sides. He then asked me to ascertain the views of the Secretary of State regarding the possibility of joint Chinese-American mediation, if requested by both French and Indochinese. He referred to the great interest which the late President Roosevelt had shown in dependent peoples, remarking that due to opposition from certain countries, the President had been unable to establish trusteeship principle for colonies of European powers. He indicated that, if US Government should agree to joint mediation, the matter of requesting such mediation could be "suggested" to the French and Indochinese. Dr. Wang commented that, as result of Chinese actions during recent months, he felt that French were convinced of Chinese good faith.

<sup>20a</sup> Charles S. Reed, 2d Consul assigned to Saigon.

<sup>21</sup> Not printed, but see telegram of February 19 to Saigon, p. 26.



Dr. Wang expressed opinion that, if joint Chinese-American mediation is agreed upon, it should be undertaken during the coming month. He said that he would appreciate very much receiving the views of the Secretary of State as soon as possible.

SMYTH

751.93/3-146: Telegram

*The Counselor of Embassy in China (Smyth) to the Secretary of State*

CHUNGKING, March 1, 1946.

[Received March 2—11:19 a. m.]

405. Sino-French treaty for relinquishment of extraterritoriality and related rights in China and Sino-French agreement concerning Indochina signed at Chungking on February 28, 1946 by Minister of Foreign Affairs and French Ambassador.<sup>22</sup>

Central News Agency reports that the provisions of the treaty for relinquishment of extraterritoriality and related rights are basically similar to Sino-American and Sino-British treaties of January 11, 1943.

Central News Agency reports main provisions of agreement concerning Indochina as follows:

"(1) Chinese nationals in Indochina shall continue to enjoy these rights, privileges, and exemptions traditionally enjoyed by them. Taxes paid by them shall not be heavier than those paid by the nationals of Indochina. In matters relating to legal proceedings and the administration of justice Chinese nationals in Indochina shall be accorded the same treatment as in [is] accorded to French nationals.

(2) The French Government agrees to provide all necessary facilities at Haiphong for the free transit of Chinese goods. Chinese goods transported on the Yunnan-Indochinese railway from the Yunnan-Indochinese border to Haiphong shall be exempted from customs duties. Chinese goods transported on all railways in Indochina shall be exempted from all transit dues or taxes.

(3) The Sino-French agreement of 1903 concerning the Yunnan-Indochinese railway is hereby terminated. The ownership of that section of the railway from Kunming to Hokou shall be transferred to Chinese Government. The French Government shall advance the fund for its redemption, which shall be reimbursed in so far as is recoverable from Japanese reparation to be claimed as compensation for the material losses sustained by the Chinese Government and merchants in Indochina as a result of the disruption of the Yunnan-Indochinese railway and the closing of Haiphong port in June, 1940, due to Japanese intervention. The French Government will cause to be submitted to the Chinese Government in the near future a

<sup>22</sup> Jacques Meyrier. Texts of the agreements were published in the *Paris Journal Officiel*, May 19, 1946; transmitted to Department as enclosure to despatch 5246, May 23, 1946, from Paris, not printed.

scheme for the improvement of railway communications between Yunnan and Indochina."

Same agency reports that exchange of notes concerning Chinese forces in Indochina provides for assumption by French command of responsibility for guarding Jap prisoners, maintenance of peace and order, and protection of Chinese nationals north of 16 degrees north latitude and for withdrawal of Chinese forces not later than March 31, 1946.

SMYTH

851G.00/3-746: Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

SECRET

SAIGON, March 1, 1946.

[Received March 7—12:30 p. m.]

14. Saig 1727. For Secretary of State. From Reed for Moffat and Culbertson. Despite communiqués from d'Argenlieu and Leclerc assuring measures taken to put an end to military rioting reported in my 1128<sup>23</sup> there were additional incidents last night including sacking of house of one of signers of "motion" calling for Vietnam independence and cessation of hostilities. He himself was severely beaten by military.

Generally believed that at least major part of these disturbances if not actually ordered by bitter authorities here were indirectly initiated. This in order to stop criticism of Army and to establish Army's position in negotiations to decide future French control in FIC. Likewise believe this sample of Army's conduct is preview of what may well happen when operations begin in north unless civil authorities (with authority from Paris) effectively control Army element.

All transmission of stories regarding incidents including d'Argenlieu's own communiqué was stopped at pool office last night reputedly by Army orders. Two AP stories later sent out through British channels and French press.

Some ships have already started north.

[REED]

851G.00/3-746: Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

CONFIDENTIAL

PARIS, March 7, 1946—6 p. m.

[Received March 8—5:38 p. m.]

1111. In conversation today with Baudet, Director Asiatic Division, he stated latest reports from Haiphong indicate French casualties with

<sup>23</sup> Not printed.



20 killed, 40 wounded. French fleet withheld fire for one-half hour in belief Chinese shelling was mistake but when French replied it was "very effective".

After firing ceased, French military and naval commanders went ashore and discussed matter with Chinese officials and Baudet confident affair will have no serious repercussions. He believes it originated in misunderstanding on part of Chinese of what French believed to be perfectly clear technical agreement re place and time of French landings.

Baudet states Foreign Office has not yet received complete text of agreement with Viet Minh Govt in Hanoi but that in general the agreement provides for recognition of autonomous Annamite Govt within framework of Indo-Chinese Federation. Boundaries of Annamite territory have not been definitely fixed but Cochin China is apparently not included although French contemplate holding plebiscite in that area to determine wishes of people.

General Juin,<sup>24</sup> whose departure for Indo-China was erroneously reported in this morning's press, will probably go on a goodwill mission to China although no final decision has been made.

Sent Dept 1111; repeated Chungking 3.

CAFFERY

851G.00/3-746: Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

RESTRICTED

SAIGON, March 7, 1946—7 p. m.  
[Received March 7—1:35 p. m.]

20. Spokesman for the Government in Indochina announced signing of agreement yesterday at Hanoi whereby Vietnam becomes a free state within the Indochina federation and will have own army, direct own internal affairs and finance. Further negotiations on other points such as foreign affairs, French economic interests, et cetera, to be held shortly. Referendum to be held in Tonkin, Annam and Cochin China to determine form of government desired and they may be separate or may unite. Full text of agreement will be forwarded.<sup>25</sup> Spokesman concluded that many concessions on both sides, Annamites are frankly pleased and French military occupation now proceeding smoothly.

REED

<sup>24</sup> Gen. Alphonse Pierre Juin, Chief of General Staff, French Army.

<sup>25</sup> Telegram 21, March 8, 1946, not printed. Despatch 4644, March 8, from Paris, enclosed copy of text as translated from the Paris *Figaro*, of the preliminary convention signed at Hanoi, March 6, at 5 p. m.; neither printed.



851G.00/3-1446: Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

SECRET

SAIGON, March 14, 1946—5 p. m.

[Received March 16—9:24 a. m.]

33. Information from north indicates Chinese putting many obstacles in way of French, and Saigon press queries Chinese intentions. Clarac reviewed worsening situation in detail, mentioning unexpected last minute refusal Chinese General Staff to sign agreement for relief Chinese by French (to begin before March 15, to end before March 31) because needed approval Combined Chiefs of Staff. This has been [apparent garble] but Clarac not clear if they have acted, also adding MacArthur<sup>26</sup> had said it was not his business which Clarac found astonishing in view of Mountbatten's<sup>27</sup> approval of relief British by French south of 16th [parallel]. He is worried as Chinese digging trenches Haiphong and encircling citadel, Hanoi fears serious clash but hopes Lu Han's arrival yesterday may ease tension, also Lu may have authority to implement relief agreement.<sup>28</sup> Clarac's information from China shows growing Chinese sentiment against Vietminh-French agreement probably based on Chinese [fear of?] Communist state south of China and also [due?] to failure Chinese sponsored party to have bigger role in Vietminh. Increasing number incidents Saigon and elsewhere but on whole Annamites willing to work out agreement as planned and general belief if Chinese had not changed attitude things would have gone well.

REED

751.93/3-2646

*Memorandum of Conversation, by the Chief of the Division of Southeast Asian Affairs (Moffat)*

[WASHINGTON,] March 26, 1946.

Participants: M. Francis Lacoste, French Embassy;  
Mr. Abbot Low Moffat, SEA

In the course of a conversation, M. Lacoste referred to his conversation of March 25 with Mr. Vincent in which he inquired as to the purpose of American Army officers in Haiphong. He stated that since seeing Mr. Vincent he had received word that the Chinese in

<sup>26</sup> General of the Army Douglas MacArthur, Supreme Commander for the Allied Forces, Japan.

<sup>27</sup> Adm. Lord Louis Mountbatten, Supreme Allied Commander, Southeast Asia.

<sup>28</sup> Telegram 35, March 15, 1946, 10 p. m., from Saigon, reported that the Sino-French military agreement was signed at Chungking on March 14, thereby implementing the earlier agreement for relief of Chinese by French forces (751-93/3-1546).

northern Indochina were showing complete lack of cooperation, ill will towards the French and an indication that they had no intention of departing. The French feel that it is important that they leave just as soon as possible and he requested that I notify the Army officers who are with the Chinese exactly what the situation is so that they may exert such influence as possible to see that the French-Chinese Agreement is carried out and that the Chinese troops withdraw promptly.

A[BBOT] L[OW] M[OFFAT]

851G.00/4-146 : Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

CONFIDENTIAL

SAIGON, April 1, 1946—10 a. m.

[Received April 2—10:30 p. m.]

70. Assassination Dr. Phat, member Cochin China Council, on March 29 by known Vietminh extremists and threats to kill members opposed to Cochin China joining Vietnam has not helped Vietnam cause. Increasing extremist activities Saigon and Cochin China also bad effect and moderate Cochin Chinese not particularly pro-French comment Vietminh trying to force joining Vietnam whether Cochin Chinese desires or not. On other hand French seizure of Treasury Hanoi precipitating general strike and incidents in Tonkin have not helped French cause and inspires little confidence that they will keep faith. One might hope that both sides take no steps during period of negotiation which might jeopardize final peaceable outcome but every likelihood stormy period ahead, particularly so far as concerns mature status Cochin China.

REED

851G.00/4-546

*The Secretary of State to the French Ambassador (Bonnet)*<sup>29</sup>

The Secretary of State presents his compliments to His Excellency the French Ambassador and has the honor to refer to the Ambassador's note no. 167 of March 7, 1946,<sup>30</sup> enclosing a copy of the Franco-Chinese Agreement with regard to the relief of Chinese forces in northern Indo-China by French forces and requesting the approval of the Combined Chiefs of Staff thereto.

The Secretary of State is pleased to inform the Ambassador that the Combined Chiefs of Staff have no objection to the relief of Chinese

<sup>29</sup> This note was reported by the Department in telegram 1635, April 12, 1946, 5 p. m., to Paris and repeated to Chungking and Saigon.

<sup>30</sup> Not printed.



troops in northern French Indo-China by French forces, since they consider that such arrangements are a matter for determination by the Governments of France and China.

Since the Franco-Chinese agreement completes the reversion of all Indo-China to French control, the Combined Chiefs of Staff consider that the French military commander in Indo-China should act as a medium for the French Government for coordination with the Supreme Commander for the Allied Powers on matters relating to the repatriation of Japanese from Indo-China, and that the Chinese Supreme Commander <sup>31</sup> and Admiral Mountbatten should be relieved of their duties and responsibilities for disarmament and evacuation of Japanese in Indo-China.

Current repatriation schedules envisage the completion of the evacuation of the Japanese from northern Indo-China by April 15. The Combined Chiefs of Staff consider that it is most desirable to have the French commander in Indo-China conform to present schedules.

Accordingly, Admiral Mountbatten has been directed to make the necessary arrangements with the French military commander in Indo-China regarding the transfer of his share of the above-mentioned responsibility at the earliest possible date.

The Supreme Commander for the Allied Powers and the appropriate Chinese authorities have been informed of the Combined Chiefs of Staff action on this matter.

It is understood that a memorandum has been addressed directly to the French Military Attaché to the United States informing him of the above and requesting that appropriate instructions be issued to the French military commander in Indo-China.

WASHINGTON, April 10, 1946.

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851G.00/4-1846 : Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State* <sup>32</sup>

CONFIDENTIAL  
PRIORITY

HANOI, April 18, 1946—8 a. m.  
[Received April 18—8 a. m.]

2. Despite many questions which are still in fluid state, conditions in Hanoi are surprisingly quiet. French Annamite and Chinese troops are in city in varying force but with comparatively little friction.

French troops under General Valluy, composed of elements of Second Armoured and Ninth Colonial Infantry Divisions, are making strenuous efforts to avoid antagonizing Chinese.

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<sup>31</sup> Generalissimo Chiang Kai-shek.

<sup>32</sup> This telegram was summarized in a Department circular telegram of April 19, 1946, noon, to Bangkok, Batavia, Chungking, Manila, and Paris.



Fifty-third Army with scattered services are only Chinese troops which remain in vicinity of Hanoi. Date of their withdrawal is unknown here.

Repatriation of Japanese soldiers and civilians north of 16th parallel has been taking place during past 2 weeks. Approximately 30 of 35,000 have been shipped. Remainder are scheduled to leave in near future.

French appear to be exercising no civilian functions here. Vietnam is *de facto* government of Hanoi, running police and administrative services. There are indications that no effective central authority exists outside of city areas although natives are said to be bitterly anti-French. Passage of recent French convoy from Haiphong to Hanoi, for example, was resisted by barricades (but apparently not by rifle fire) in villages along route.

Negotiations now opening between French and Vietnam at Dalat (Dalat is hill station in Cochin China) to implement preliminary agreement to March 6th. Most important immediate question appears to be status of Cochin China.

Food situation generally better than last year. Reports indicate there should be no famine in northern FIC in near future.

O'SULLIVAN

851G.01/4-1846: Circular telegram

*The Secretary of State to Certain Diplomatic and Consular Officers*<sup>34</sup>

SECRET

WASHINGTON, April 18, 1946—1 p. m.

Vietnam Republic's President Ho Chi-minh requested US, UK and other recognitions approximating French recognition as free state within French Union. UK informally replied unable recognize because negotiations re Vietnam actual status continuing.

BYRNES

851G.00/4-2246: Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

CONFIDENTIAL

HANOI, April 22, 1946.

[Received April 23—5:19 p. m.]

Following the incident on Easter Sunday, on the night of 20-21, Hanoi was quiet as the city closed at an early hour and in the evening the streets were practically deserted.

Friction will continue between the Chinese and the French as long as the Chinese stay in Indo-China. There appears to be no valid

<sup>34</sup> At Bangkok, Batavia, Chungking, London, Manila, Paris, and The Hague.

reason for Chinese troops to stay here as the French have taken the responsibility for keeping peace.

The French Command used extreme restraint to stop the shooting and to contain the incident yesterday as well as on other occasions. It was reported yesterday by reliable eye witnesses that Chinese sentries fired at French guards or into French vehicles without drawing fire. It appears that the policy of the French is to avoid any possible friction with the Chinese without regard to the amount of "loss of face". The fact that about 20,000 French civilians located in Hanoi would suffer considerably if large scale fighting broke out between the French and the Chinese explains the action of the French. It appears that the French have orders to shoot only in self defense.

Apparently the Chinese have conducted themselves as conquerors from the time that they arrived in September of last year. In some cases they have indulged in wanton destruction and widespread looting. It seems as if the Chinese have no desire to prevent incidents from occurring.

Sent State Dept, Chungking and Nanking.

O'SULLIVAN

851G.00/4-2746: Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

CONFIDENTIAL

SAIGON, April 27, 1946—11 a. m.  
[Received April 29—2:15 a. m.]

122, Mytel 121, April 27, 10 a. m.<sup>35</sup> Returned yesterday from Hanoi where situation tense. Called on all high French, Chinese, Vietnam officials. He [*Ho?*] dwelt largely on Cochin China issue, first, must join Vietnam, second, French must cease entering Cochin China; he also mentioned need for complete financial independence, own bank and own bank note issue. He was highly indignant action of French in arresting and dispelling [*expelling*] from Dalat Dr. Thach, Cochin Chinese delegate to Dalat conference. He expressed hope for future if French lived up to their agreements which he rather doubted but added that outside help, chiefly capital and technical aid, must be supplied.

Pessimistic views held by all French regarding success of Dalat conference which is now suspended for a few days while Vietnam demands regarding Cochin (cease hostilities, release political internees Armistice Commission and political freedom) and French counter-offer regarding all Indochina (establish special committee to investigate Vietnam-French incidents) are being studied and that French have now adopted thesis conference merely preliminary and Paris

<sup>35</sup> Not printed; for summary, see circular telegram of April 30, 11 a. m., *infra*.



approval must be obtained which is contrary previous understanding. French defend arrest, expelling Dr. Thach on grounds that he is notorious anti-French Cochin Chinese and that Cochin China not yet part of Vietnam.

French insistence withdrawal Chinese from north and all-over procrastination to Dalat may have ulterior motives as it is not impossible French military coup may be brought off as soon as Chinese gone. Some French civilians have spoken of this "as putting Vietnamese in their place". In any event over-all picture is not happy one and much compromise, good faith and tolerance needed to effect peaceful settlement.

REED

851G.00/4-3046: Circular telegram

*The Acting Secretary of State to Certain Diplomatic and Consular Officers*<sup>36</sup>

CONFIDENTIAL

WASHINGTON, April 30, 1946—11 a. m.

French in Hanoi fear Chinese attack on French civilians, soldiers, any incident likely become serious citywide fight. Some French believe Chinese planning overrun French, overthrow Vietnam Government, establish Chinese fostered Dong Minh Hoi Party in power then ask Chinese assistance thus allowing Chinese troops remain Indochina. Consul Saigon suggests<sup>37</sup> general order from Chiang Kai-shek might avert incident.

ACHESON

851G.00/5-146: Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

HANOI, May 1, 1946.

[Received May 1—10:42 a. m.]

5. There was some fighting in Haiphong between French and Annamite forces over last week-end.

Confused and fragmentary reports available Hanoi indicate shooting which broke out Saturday continued intermittently through Sunday. Best estimate of French losses here is between three and five dead, with Annamite losses unknown.<sup>38</sup>

<sup>36</sup> At Bangkok, Batavia, London, Moscow, Paris, and Singapore.

<sup>37</sup> Telegram 121, April 27, 1946, 10 a. m., not printed.

<sup>38</sup> In telegram 6, May 4, 1946, from Hanoi, Mr. O'Sullivan reported his visit to Haiphong and added: "Both French and Vietnam have taken measures to prevent further incidents and to contain any shooting which may break out." (851G.00/5-446)



Attitude of Chinese in Haiphong during shooting was reported as neutral.

Meanwhile, during last few days and nights Chinese units have been moving from Hanoi apparently to outskirts. Possibly as many as 3,000 have left city.

Sent Department, repeated Chungking, Saigon informed by air-mail.

O'SULLIVAN

851G.00/5-146 : Circular telegram

*The Acting Secretary of State to Certain Diplomatic and Consular Officers*<sup>39</sup>

CONFIDENTIAL

WASHINGTON, May 1, 1946—7 p. m.

French Vietnam conference Dalat temporarily suspended for study conflicting views re Cochinchina. Vietnam officials hope for future clouded by doubts French will abide by their agreements. French pessimistic re outcome. Vietnam demands cessation hostilities Cochinchina, release political internees, establishment armistice commission and political freedom Cochinchina. French counter-offer special committee study French-Vietnam incidents throughout Indochina. French now hold Dalat conference merely preliminary and results must have Paris approval.

Consul Saigon observes<sup>40</sup> French maneuvers propaganda to force withdrawal Chinese troops Tonkin and delaying tactics Dalat conference compatible with possibility French planning military coup when Chinese withdraw.

ACHESON

851G.00/5-446 : Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

CONFIDENTIAL

SAIGON, May 4, 1946—10 a. m.

[Received May 5—6:48 a. m.]

144. Outbreak of terrorist activities in last few days in area round Saigon culminated yesterday in assassination Dr. Thach, member of Cochin China Consultative Council (not the Thach expelled from Dalat conference) who voted Cochin China should join Vietnam but killed evidently because friendly with French. Cochin Chinese

<sup>39</sup> At Bangkok, Batavia, London, Nanking, Paris, Singapore, and The Hague.

<sup>40</sup> Telegram 130, April 30, 1946, 3 p. m., not printed. In it, Consul Reed mentioned that Ho Chi Minh had stressed to him at Hanoi "utmost necessity of interesting American capital and employing American technicians in Vietnam." (851G.00/4-3046)

friends say they are becoming afraid to talk to French as that may make them target for attacks.

French have retaliated with wholesale arrests and burning houses, villages where terrorists may have shelter.

REED

851G.00/5-946

*Memorandum of Conversation, by the Chief of the Division of Southeast Asian Affairs (Moffat)*

[WASHINGTON,] May 9, 1946.

In the course of conversation M. Lacoste stated that recently General Juin had visited the French Ambassador in China and then returned to Indochina whence he had sent a telegram to the Ambassador. In this telegram, dated April 27, he had deplored the Easter Sunday incident, April 21, when a Chinese and French truck in Hanoi collided and the Chinese troops promptly began shooting at the French. He stated his opinion that any further incidents would have very serious repercussions as, undoubtedly, the French troops would intervene en masse in order to protect French civilians. Such incidents must, therefore, be avoided at all costs. He thought that such incidents were disapproved by the Central Government and in conversation with General Lu Han he had found Lu Han well disposed.

The 53rd Chinese Army and independent units still remain in Indochina and M. Lacoste emphasized the importance which the French Government attaches to their prompt evacuation to avoid further incidents. General Juin was continuing negotiations at the time he telegraphed the French Ambassador in China hoping to secure at least the evacuation of all Chinese troops from Hanoi by April 30. However, M. Lacoste stated, the troops are still there. General Juin, therefore, has taken up with General Marshall the possibility of evacuating the 53rd Army by ship, thus expediting their departure and minimizing the damage they might do in evacuating overland. M. Lacoste understood that General Marshall was taking this matter up with the Chiefs of Staff and inquired of me whether this was so. I stated I had no information on the subject and suggested he take the matter up with Mr. Penfield.<sup>41</sup>

A[BBOT] L[OW] M[OFFAT]

<sup>41</sup> James K. Penfield, Deputy Director, Office of Far Eastern Affairs.



851G.00/5-1346: Circular telegram

*The Acting Secretary of State to Certain Diplomatic and Consular Officers* <sup>42</sup>

SECRET

WASHINGTON, May 13, 1946—1 p. m.

French FonOff official confident ultimate success negotiations with Vietnam which may be prolonged.<sup>43</sup> Vietnam deleg France impressed him favorably but he regarded recent developments Indochina China disturbing since believed Chinese commanders Indochina openly defying undermining Chiang Kai-shek's sincere efforts evacuate Indochina. Chinese official Paris stated <sup>44</sup> that Vietnam deleg composed five Communists, four non-Communists, one Kuomintang, but Communists Vietnam better organized than non-Communists and supported by French Communists, that Chinese troops would evacuate, that Chinese Govt would be neutral; would not be intermediary for Annamese seeking US support. Consul Hanoi observes <sup>45</sup> Chinese appear trying undermine Viet Minh party and leadership hoping leave Chinese-dominated Dong Minh Hoy party in power.

ACHESON

851G.00/5-1446: Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

HANOI, May 14, 1946—8 a. m.

[Received May 15—3:25 p. m.]

14. Chinese have officially informed French that withdrawal offers [orders?] have been recd. French state that according to information given them Chinese withdrawal will commence May 15 and will be completed by June 10. French also state their forces were scheduled to enter Luang Prabang yesterday noon. French column entering that city was reinforced during last few days with paratroopers.

[O'SULLIVAN]

851G.00/5-1446: Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

HANOI, May 14, 1946.

[Received May 15—3:25 p. m.]

15. Viet Nam Delegation to Dalat arrived in Hanoi May 12 by plane. Next step will be to send Viet Nam Delegation to Paris to

<sup>42</sup> At Nanking and Saigon.<sup>43</sup> Telegram 2243, May 9, 1946, 2 p. m., from Paris, not printed.<sup>44</sup> Telegram 2279, May 10, 1946, 4 p. m., from Paris, not printed.<sup>45</sup> Telegram 10, May 6, 1946, 8 a. m., not printed.



undertake formal negotiations there. Viet Nam Delegation which at present is in France is only good will mission and has no political powers. Impression given following return of Viet Nam Delegation from Dalat is that Dalat Conference gave both parties opportunity to explain their positions and for this reason had a certain value. However, comparatively little progress was made to reconcile divergent views on political, economic or cultural questions.

[O'SULLIVAN]

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851G.00/5-1446 : Circular telegram

*The Acting Secretary of State to Certain Diplomatic and Consular Officers* <sup>46</sup>

CONFIDENTIAL

WASHINGTON, May 14, 1946—11 a. m.

Vietnam Republic's President believes satisfactory agreement can be reached with French, expressed confidence their good faith in Hanoi Paris but disturbed by French actions Saigon.

ACHESON

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851G.00/5-946 : Telegram

*The Acting Secretary of State to General of the Army George C. Marshall, at Nanking*

SECRET

WASHINGTON, May 15, 1946—6 p. m.

133. For General Marshall. Dept concerned by reports received from both French and US sources indicating serious effects of continued presence 53rd Chinese Army and independent units northern Indochina despite agreement to withdraw all troops by Mar 31 or Apr 15 at latest.

Consul Hanoi (reinfotel May 14) reports danger that actions local Chinese military Tonkin will embitter Franco-Chinese relations (See Paris Embtel 6 to Chungking May 9 <sup>47</sup>) as well as obstruct recent progress Franco-Viet Nam relations. Also that Viet Nam President hinted his tasks easier when Chinese leave. Hanoi believes that few problems facing French and Annamese can be handled until Chinese evacuated.

French Emb Wash May 9 verbally emphasized importance French Govt attaches to prompt Chinese evacuation to avoid further incidents, and referred possibility evacuation 53rd Army by ship.

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<sup>41</sup> At Bangkok, London, Moscow, Nanking, Paris, and Saigon.

<sup>47</sup> Telegram 2243 to Department, May 9, 1946, 2 p. m., from Paris, not printed, but see circular telegram of May 13, 1 p. m., p. 41.

Dept believes everything possible should be done urgently speed evacuation Chinese troops. Request your views as to what action, if any, might be taken US Govt to assist in solution this problem, and your recommendations thereon.

ACHESON

851G.00/5-2046: Circular telegram

*The Secretary of State to Certain Diplomatic Officers*<sup>48</sup>

CONFIDENTIAL

WASHINGTON, May 20, 1946—8 a. m.

D'Argenlieu to meet President Vietnam soon prior departure French, Vietnam delegs Paris for final negotiations re governmental structure Indochina and Vietnam's status therein. French propose federal organization under High Commissioner who exercise French Union's powers and with Assembly initiate federal legislation. Assembly composed 10 French members, 10 members each from Tonkin, Annam, Cochinchina, Laos, Cambodia. Each state form own govt, elect Parliament, vote own constitution, recruit defense army, fix budget, organize administration, enact internal laws. Vietnam counter-proposal would limit federal powers to customs policy currency and supplies coordination, would place relations between Vietnam and federation on status international relations with High Commissioner as ambassador to federation's member states.

BYRNES

125.785/5-2046: Telegram

*The Secretary of State to the Ambassador in France (Caffery)*

RESTRICTED

WASHINGTON, May 20, 1946—5 p. m.

2427. Consulate Saigon raised to Consulate General effective immediately. Inform French Government.

BYRNES

851G.00/5-2046: Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

HANOI, May 20, 1946—6 p. m.

[Received May 23—11:30 p.m.]

20. Please pass to General Marshall for information.

There are three important political parties in Viet Nam.

They are Viet Minh League, composed of former Indo-Chinese Communist Party (PCI dissolved itself November 30, 1945) and

<sup>48</sup> At Nanking and The Hague. This telegram was based on telegrams 160, May 14, 1946, 3 p. m., and 163, May 15, from Saigon, neither printed.

Democratic Party, son [*sic*] Vietnam Cach Menh Dong Minh Hoi, generally referred to as Dong Minh Hoi or DMH; and Vietnam Quoc Dan Dang.

There are in addition several splinter parties which seem to serve chiefly as vehicles for organized banditry.

Both Dong Minh Hoi and Quoc Dan Dang seem have support of Chinese. Most active part of Viet Minh is factor composed of former PCI members.

Viet Minh strength seems to be spread throughout northern Indo-China. Dong Minh Hoi and Quoc Dan Dang control territory in Moncay, Langson, Vinh Yen area.<sup>49</sup>

As yet no Catholic party has appeared nor do Catholics appear to be committed to support of any one party. Viet Minh League has been making tentative moves to capture Catholic support but is said to be too radical to obtain full cooperation from church. In view of fact church claims million members in Tonking and Annam (large percentage believed to be "rice Christians"), it seems probable that Catholics as group will [not?] remain long absent from politics.

Sent Department, repeated Nanking; Saigon informed airmail.

O'SULLIVAN

851G.00/5-2146 : Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

HANOI, May 21, 1946—1 p. m.

[Received May 22—1:30 p. m.]

21. Foreign Minister Nyugen Tuong Tam today informed me he expected negotiations would commence about June 15 and he thought they would last about 20 days.

Tam indicated that Vietnamese delegation might be composed of as many as 30 persons. He said that personnel had not yet been decided upon but that it was possible Ho Chi Minh might head mission.

Sent Dept; repeated Nanking, Saigon informed airmail.

O'SULLIVAN

<sup>49</sup> Vice Consul O'Sullivan, in telegram 69, July 26, 1946, 4 p. m., from Hanoi, reported the steady elimination of all organized opposition to the Viet Minh League. The Dong Minh Hoi and Quoc Dan Dang had lost influence with the departure of the 52nd Chinese Army from Tonkin. (851G.00/7-2646)



851G.00/5-2246 : Telegram

*The Counselor of Embassy in China (Smyth) to the Secretary of State*<sup>50</sup>

RESTRICTED

NANKING, May 22, 1946—10 a. m.

[Received May 22—6:14 a. m.]

844. Foreign Office has informed Embassy that Chinese forces Indochina have surrendered garrison duties to French forces in all areas previously under Chinese occupation. Bulk of Chinese forces have already evacuated Indochina. Three of four remaining divisions have been ordered to evacuate by land and to reach Chinese territory before 10 June or, weather permitting, before the end of May. Remaining division is now at Haiphong awaiting transportation to Japan. At request of Foreign Office SCAP has been informed of foregoing.

SMYTH

851G.00/6-146 : Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

RESTRICTED

SAIGON, June 1, 1946—noon.

[Received June 1—11:05 a. m.]

212. Commissioner for Cochin China announces June 1 will be a holiday on occasion announcement Provisional Annamite Government of Cochin China. Believed there will be strong reaction in north and it is possible that French may have endangered continued peaceable negotiations with Viet Nam. However, French may feel strong enough now to risk open break.

REED

851G.00/6-546 : Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

CONFIDENTIAL

HANOI, June 5, 1946—5 p. m.

[Received June 6—7:52 a. m.]

36. Ho Chi Minh probably will call at AmEmbassy shortly. He has constantly given me impression he would pay great attention to any suggestions made by Dept.

O'SULLIVAN

<sup>50</sup> Repeated by the Department as telegram 3, May 23, 3 p. m., to Hanoi and as telegram 136 to Saigon.

851G.00/6-546 : Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

HANOI, June 5, 1946—8 p. m.

[Received June 6—10:45 a. m.]

37. There is growing conviction in Viet Nam circles that principal point involved in Paris negotiations will be future status of Cochin China and how it will be determined.

Viet Nameese generally agree that without Cochin China any independence will be largely theoretical.

Viet Nam position regarding referendum appears to have undergone extensive changes. Ho Chi Minh when he signed convention of March 6th was convinced that in any "fair" referendum Cochin China would not [*vote?*] to attach itself to Viet Nam.

However, Dalat Conference delegation apparently returned to Hanoi with realization that Viet Nam strength in Cochin China was diminishing. This they attribute to French propaganda and absence of freedom for their own agents.

Realization of diminishing Viet Nam strength in Cochin China is probably principal reason why Ho accompanied delegation to Paris. He hopes to reach satisfactory solution on this all-important question on basis of numerous friendships which he has with Left Wing French circles.

French here give impression they would not object to referendum in Cochin China. However, they indicate they would not care to allow complete freedom for Viet Nam agents there. Their objection is that such agents would resort to terrorism to influence vote. (There seems to be certain amount of justification for French contention. Viet Nam police have been treating pro-French Viet Nameese and Metis with French nationality rather severely in Tonkin.)

Outcome of any referendum would probably be largely determined by conditions under which it would be held. French feel Cochin China would vote 80% for autonomy. Viet Nam claim Cochin China would vote 80% for incorporation with Viet Nam. Both claim[s] have an unspoken promise [*premise?*] that claimant could establish conditions of referendum. Neutral observers here feel vote in referendum free of undue influence from either side would be close.

Sent Dept as 37, June 5, 8 p. m.; repeated Nanking, Saigon informed airmail.

O'SULLIVAN

851G.00/6-2846 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, June 28, 1946—8 p. m.

[Received 11:20 p. m.]

3203. Admiral d'Argenlieu, the High Commissioner in Indochina, came to see me this morning and talked in a very intelligent although somewhat prejudiced fashion about the whole Indo-Chinese business. Most of the facts he touched upon were not new to me; for instance, the behaviour of the Chinese occupation troops; his own negotiations with the Viet Nam; the Viet Nam delegation now here, etc.

He insisted especially that the Viet Nam has no following in Cochinchina; that the recent terrorist methods, assassinations, etc., in Cochinchina have alienated even the few friends they had there.

Notwithstanding that fact, he says, the desire of the Viet Nam to take over Cochinchina will be the most difficult point in their negotiations with the Viet Nam delegation now here. He believes that in the long run these negotiations will be successful but they will be long drawn out and he will not stay to see them through.

It is his intention to return to Indo-China in about 3 weeks.

He then criticized the Siamese Government for failing to return the seized provinces, saying that they are using every possible device to avoid giving them up.<sup>51</sup> He insists that the much talked of incidents of the Mekong River grew out of raids carried out from Siamese territory by bands made up of Siamese, Japanese, Laotian and Cambodian "pirates" and that the French have been extremely long suffering; adding that he has a dossier a foot high about cases of lootings by these bands on the east side of the river.

Dept please repeat to Saigon. Sent London as 484.

CAFFERY

851G.00/6-1246

*The Department of State to the French Embassy*

The Department of State has received the French Embassy's note no. 465 of June 21, 1946,<sup>52</sup> in which it is requested that transportation of the Second Chinese Honor Division from Haiphong to Japan be expedited.

The Department of State is well aware of the desirability of expediting the departure of remaining Chinese troops from northern Indochina. Final agreement on the detailed arrangements for the

<sup>51</sup> For documentation on this subject, see pp. 978 ff.

<sup>52</sup> Not printed.



participation of Chinese troops in the occupation of Japan is expected to be reached within a few days. Every effort is being made to expedite this final agreement, and immediately thereafter steps will be taken to ensure the prompt transport of the Second Honor Division from Haiphong to Japan.<sup>53</sup>

WASHINGTON, July 2, 1946.

851G.00/7-746 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

RESTRICTED

PARIS, July 7, 1946—1 p. m.

[Received July 7—12:39 p. m.]

3323. Opening of Franco-Viet Nam conference at Fontainebleau yesterday brought to an apparent end pre-conference honeymoon period during which French and Indochinese officials had rivaled with each other in displays of Franco-Viet Nam friendship.

After long wait for Admiral Thierry d'Argenlieu supposed to preside over conference, unexpected announcement that "Admiral was indisposed" created uneasiness and rumors to effect Viet Nam delegates had vetoed presidency of Thierry d'Argenlieu who, in their eyes, "typified French imperialism".

Max André, head of French delegation, assuming Presidency at last moment, delivered innocuous speech of welcome and declared conference open. Mr. Phan Van Dong, head of Viet Nam delegation, immediately protested against this unilateral assumption of the chair of the direction of the proceedings. In a fighting speech which contrasted sharply with platitudes of André's address, he went immediately to the core of the worst difficulties which the conference will have to face. In sharp words, he protested against "the mutilation of the Viet Nam Motherland" through the creation of an independent state of Cochin China outside of the Viet Nam. He went on to accuse the French authorities in Indochina of having violated the accords of Dalat of March 6, 1946 and of having used these accords to penetrate peacefully in the north while military operations were being carried on in the south and in the interior.

This unexpected offensive of the Viet Nam delegation on the first day has created a sensation. Independent and impartial *Combat*, genuinely interested in colonial problems, headlines Viet Nam accusation across the entire first page and recognizes French mistakes made in Indochina. Communist *Humanité* frankly sides with Viet

<sup>53</sup> Vice Consul O'Sullivan, in telegram 90, October 9, 1946, 8 a. m., from Hanoi, reported: "All troops of Chinese Second Division of Honor have evacuated Haiphong by ship for Shanghai." (851G.00/10-946)

Nam. Socialists *Populaire* gives fair and impartial account in a vein sympathetic to Viet Nam. MRP. *Aube* regrets "that French goodwill did not find a corresponding echo". In the conservative and Nationalist papers there is literally an explosion of wrath against Viet Nam delegation. Increasingly Leftist but always ultra-Nationalist *Ordre* terms Phan Van Dong's statements "shocking" and already blames Viet Nam for any future breakdown in negotiations. All these papers play up violations of Dalat agreement by the Viet Nam and underline assassinations, kidnapping and rape of Europeans as justification of continued military operations by French expeditionary corps.

On the whole conference had gotten off to bad start. Viet Nam leaders also express their regret that conference "of such considerable importance" should be held outside of Paris.

Interesting to note that yesterday afternoon conversation held between Ho Chi Minh, Viet Nam President, and Algerian deputies of friends of manifest group headed by Ferhat Abbas (my despatch 5571 of July 3<sup>54</sup>) on similarity between problems facing Algeria and Viet Nam.

Sent Dept as 3323, repeated London as 509.

CAFFERY

851G.00/8-246 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

CONFIDENTIAL

PARIS, August 2, 1946—6 p. m.  
[Received 8:16 p. m.]

3801. Viet Nam delegation at Fontainebleau conference yesterday broke off negotiations on ground that French have violated March 6 accord by convoking new conference at Dalat. Head of delegation alleged that French intend to use new Dalat conference (to which Viet Nam was not invited) to engineer their own statute for Indo-Chinese federation and to fix future of Cochin China and other areas claimed by Viet Nam. He added that Fontainebleau conference is not terminated but only suspended until French clear up this "equivocal" situation. Delegation will remain at Fontainebleau for time being and is prepared to maintain contact with French delegates on unofficial basis.

This decision has been received by press as a kind of bomb shell although reports had been current that conference was entering a

<sup>54</sup> Not printed; it reported an interview with the Algerian autonomist leader, Ferhat-Abbas. A delegation of eleven Algerian deputies, comprising the pro-independence group, "democratic union in favor of the Algerian Manifest", was in Paris. (851R.00/7-346)



critical stage and that he [Ho] Chi Minh would depart soon for Indo-China. Press reaction has followed expected lines with left-wing organs justifying decision while right-wing and radical papers accuse Viet Nam of blackmail and insist that France has perfect right to consult other peoples of Indochina in parallel Dalat conference.

Radical *Aurore* demands that France shall not "abdicate" in Indo-china and adopts *Epoque* line in charging that "other imperialisms" are utilizing Viet Nam for own purposes.

*Monde* insists that France is playing role of impartial arbiter and must not retreat before ultimatum. *Monde* also takes off gloves with respect to Ho Chi Minh, recalling that he was friend of Doriot and that in 1945 he publicly expressed determination to "break off all relations with French people".

Independent *Ordre* says showdown has come and France must not give in.

Among defenders of Viet Nam Communist *Humanité* is most outspoken. Independent's *Combat* continues to stress "the flagrant dissonance" between French statements in Paris and French policy in Indochina which has recently amounted to a "provocation". *Combat* expects serious repercussions in Indochina.

Caught in the middle, both Socialists and MRP are embarrassed and worried. *Populaire* blames Admiral d'Argenlieu for unjustifiable policy which must be repudiated by French Government. *L'Aube*, on other hand, takes aggrieved [stand?] and insists Dalat conference is entirely proper under March 6 accord.

Baudet, one of Foreign Office delegates at Fontainebleau, admits situation is serious but believes conference will resume in a week or 10 days. He insists new Dalat conference is only exploratory and consultative. Baudet once again indicated French officials are not particularly anxious to speed up work of Fontainebleau conference and are quite willing for relations with Viet Nam to continue under present agreement until the pacification of Indochina and particularly Cochin China is completed. He added that security situation in Cochin China is more serious than French public is aware.

Sent Dept as 3801; Dept please repeat to Saigon; repeated London as 578.

CAFFERY

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851G.00/8-646: Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

CONFIDENTIAL

SAIGON, August 6, 1946—4 p. m.  
[Received August 7—12:55 a. m.]

320. Present Dalat Conference was established by High Commissioner's decree as "preparatory conference to study the status of the



Indo-China Federation within the framework of the French Union" to which the Royal Governments of Cambodia and Laos, the government of the autonomous republic of Cochin China and the native peoples of South Annam and high plateau of southern Indo-China are invited to send representatives. No details of Conference save agenda are as yet known but bearing out my previous prediction it is learned that South Annam representatives will petition for union of the three southern provinces of Annam with Cochin China. Agenda deals almost exclusively with federal setup (whereas previous Dalat Conference dealt with French-Viet Nam relations) which gives impression that participating states are at least tacitly recognized as free states and that the French and these free states are now determining status of federation without reference to Viet Nam. Unless this impression is done away with, overall situation may worsen, and Saigon press is doing nothing to alleviate situation as virulent attacks against Viet Nam continue.

REED

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851G.00/8-846: Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

SAIGON, August 8, 1946.

[Received August 9—4:38 a. m.]

325. Communiqué from Dalat conference announces agreement as to the role of the assembly of the states:

(1) Federal organization will include a single assembly known as Assembly of the States;

(2) The assembly will be made up of 10 members of each of the states represented at the conference, 10 members from each other state forming part of the federation and 10 members representing French interests;

(3) Each of the interested states will determine the manner of designating these representatives; and

(4) Essential attributes of assembly will be to vote the federal budget and the federal laws within the limits of its competence, to conciliate differences which may arise between the states of the federation and to ratify the agreements and treaties interesting the federation as a whole excepting those affecting the interests of one state solely. Cambodia, Cochin China and Laos delegates have asked to participate at Paris in the discussion of the statute of the French Union.

REED

851G.00/8-946

*Memorandum by the Chief of the Division of Southeast Asian Affairs  
(Moffat) to the Director of the Office of Far Eastern Affairs  
(Vincent)*

[WASHINGTON,] August 9, 1946.

Recent developments indicate that the French are moving to regain a large measure of their control of Indochina in violation of the spirit of the March 6 convention. The evidence, as set forth below, suggests that the French are attempting to gain their objective by manoeuvres designed to confine and weaken Viet Nam. In the event that Viet Nam decides to resist these encroachments, which is by no means unlikely, widespread hostilities may result.

The chief opposition to the reestablishment of French rule in Indochina has all along come from the Annamese, who inhabit the three east coastal provinces of Tonkin, Annam, and Cochinchina, which once comprised the Kingdom of Annam. The populations of the other two countries of Indochina—Cambodia and Laos—are not in a high state of political development or in any condition seriously to resist French control. A *modus vivendi* between the French and the Annamese was achieved in the preliminary convention of March 6, 1946, by which the Annamese "Republic of Viet Nam" was recognized as a free state within the Indochinese Federation and the Viet Nam Government declared its readiness to receive the French Army. The convention left for future settlement two crucial problems: the status of Viet Nam in its external relations, and the geographical extent of Viet Nam. On the former point, the provisional agreement stated that "each contracting party will take all necessary measures . . .<sup>55</sup> to create the favorable atmosphere necessary for an immediate opening of amicable and free negotiations. These negotiations will bear particularly upon diplomatic relations between the Viet Nam and foreign states, the future status of Indochina, French economic and cultural interests in Viet Nam." On the latter point the agreement stated that "with respect to the bringing together of the three (provinces), the French Government pledges itself to ratify the decisions taken by the populations consulted by referendum." The crux of the present situation lies in the apparent intention of the French to settle both matters to their own advantage and without reference to Viet Nam.

The hostility of the Annamese toward the French began to mount to its present intensity when the French on June 1 announced the inauguration of the Provisional Government of the Republic of Cochinchina. Annamese leaders had long emphasized their view that

<sup>55</sup> Omission indicated in the original.



the inclusion of Cochinchina in Viet Nam was a matter of life and death to their country. Cochinchina, it may be mentioned, contains the important mercantile cities of Saigon and Cholon, includes the mouths of the Mekong, and is the richest province in Indochina. Called the Southern Province by the Viet Nameese, it is racially indistinct from Tonkin and Annam. Statements by the French that the referendum in Cochinchina (as pledged in the March 6 convention) would still be held failed to reassure Viet Nam leaders, who pointed out that such a referendum could not possibly be fair owing to the suppression by the French of pro-Viet Nam political parties and of all anti-French opinion. SEA's information tends to substantiate this point of view.

Tension between the French and the Annamese reached its present pitch when the French on August 1 convened a conference at Dalat (in southern Annam) to which the Royal Governments of Cambodia and Laos, the Government of the autonomous Republic of Cochinchina, and the native peoples of southern Annam and high plateau of Indochina (but *not* Viet Nam, recognized by the French as part of the Indochina Federation and French Union) to send delegates to "study the framework of the French Union". Subsequently published agenda of the conference indicated that the salient aspects of the Indochina Federation would also be deliberated. As an immediate result of this conference, the Viet Nam delegation which had been discussing the future relation between France and Viet Nam with the representatives of the French at Fountainebleau since July 6 announced that they were suspending negotiations until the French should have cleared up the "equivocal" situation which had been created. The head of the Viet Nam delegation, who had opened the conference with a violent blast against French policies, charged that the French were now trying to engineer their own statute for the Indochinese Federation and their own settlement of the status of Cochinchina and other areas claimed by Viet Nam. The view of Consul Saigon is not very different. He gave as his opinion that a front against Viet Nam was in the making, that the states participating in the Dalat Conference were at least tacitly recognized as free states by the French, and that France and these free states are now determining the status of the Indochinese federation without reference to Viet Nam. In his view it indicated double-dealing on the part of the French, and he reported that the French Commissioner for Cochinchina had forced the issue by threatening to resign unless his policy is carried out. Nothing has been said at the conference about a referendum. Finally, Consul Saigon added that he had learned that representatives of the southern regions of the Province of Annam (which has always been claimed by Viet Nam) will peti-



tion for inclusion of their territories in Cochinchina. In view of the completeness of the agenda of the Dalat Conference, which covers the essential framework of the Indochinese federation, and in view of the deliberate exclusion of Viet Nam from the conference, the conclusion is inescapable that the French are endeavoring to whittle down Viet Nam and to settle the future form of organization of Indochina with those who may be expected to be amenable to French influence.

Annamese reaction to French moves has been sharp, and following the suspension of the Fontainebleau negotiations, there were pro-Viet Nam manifestations in Saigon. The ambush of a French supply column near Hanoi by Annamese soldiers, during which the French suffered 52 casualties (one of the worst of many incidents during the past several months), may have been related to the opening of the Dalat Conference.

While it is to be doubted that the French will allow the Fontainebleau Conference to break down completely, Embassy Paris quotes Baudet as having stated that French officials are in no hurry to speed up negotiations until the pacification of Indochina, and particularly of Cochinchina, has been completed. In this connection, Consul Saigon reports that more troops are arriving in Indochina and that the French military position has grown much stronger. Meanwhile, the Saigon press has been carrying vitriolic attacks against Viet Nam. Since this press is completely controlled by the French, there would appear to be no official objection to this line.

In his latest report, Consul Hanoi states that there now exists an imminent danger of an open break between the French and Viet Nam. He adds that a rupture of relations would probably be followed by a period of anarchy and that, although the French could quickly overrun the country, they could not—as they themselves admit—pacify it except through a long and bitter military operation.

In conclusion, it is SEA's view that the Annamese are faced with the choice of a costly submission to the French or of open resistance, and that the French may be preparing to resort to force in order to secure their position throughout Indochina. It may not be advisable for this Government to take official notice of this situation during the Peace Conference,<sup>56</sup> but the Department should be prepared, SEA believes, to express to the French, in view of our interest in peace and orderly development of dependent peoples, our hope that they will abide by the spirit of the March 6 convention.

A[BBOT] L[OW] M[OFFAT]

<sup>56</sup> For documentation on the Conference, held between July 29 and October 15, see volumes III and IV.

S51G.00/8-1346: Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

SAIGON, August 13, 1946.

[Received August 14—3:50 a. m.]

332. Delegations at Dalat Conference voted motion:

1. Protesting confusion which Viet Nam delegations Fontainebleau trying to provoke between Viet Nam claims and aspiration of Indochina as whole.

2. Informing press and French public claims stated at Fontainebleau differ from accurate desires of peoples of FIC.

3. Voicing reliance on critical sense of justice, democratic spirit French people to discount ambitions of minority (Viet Nam) which aspires dictatorial domination country.

4. Protesting any solution FIC problems not having concurrence all Indochinese peoples and states whose delegates alone competent to express and defend respective interests.

5. Censuring atrocities, destruction, bloodshed caused by Viet Nam in all FIC which makes all Indochinese fear consequences resultant hate and misunderstanding.

High Commissioner requested to accept above protests and inform French Government.

President Cambodian Delegation in press interview stated "Federation and organization suitable for technical coordination but it must not alter fundamental relationship between France and individual Federated States". Adding Cambodia desires continuance direct representation French Union, not through Federation. He denounced Viet Nam "imperialistic aims", pointing out that first step of these aims is union of three Ky[s]; second, absorption of Laos; and third, absorption Cambodia. He labeled Siamese policy crafty in that Siamese promise return province as gift when Cambodia independent because Siam hopes to win Cambodia to raise [support?] of Federation of Buddhist States comprising Burma, Laos, Cambodia and Siam.

REED

S51G.00/8-1646: Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

HANOI, August 16, 1946—10 p. m.

[Received August 22—8:23 a. m.]

77. Appeal signed by Vietnamese parties including new Socialist group sent UNO declaring French actions Indochina provoking war and disturbing peace.



Message alleges French using armed force to cut Viet Nam to pieces by establishment puppet govts. It accuses French of terroristic methods at Camau, Thyhoa, Hongay, Bac Ninh.

Message concludes by requesting UNO intervene that Viet Nameese people may enjoy peace and security.

O'SULLIVAN

851G.00/8-1746: Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

CONFIDENTIAL

SAIGON, August 17, 1946—10 a. m.

[Received August 18—2:53 a. m.]

342. At Dalat conference, which closed on 14th, delegations were reasonably unanimous as to desired structure and scope of federation and relationship of member states with federation and each other. Cochin-Chinese delegations vowed [*delegation showed*] more independence of thought than other delegations and followed less slavishly French pattern for Indochina of future. This is part to impress Cochin-Chinese and to help lessen belief present Cochin-Chinese Govt only a puppet, but as previously reported members of this govt sincerely want more freedom of action and less domination by French. While findings and recommendations of conference not binding they appear to be reasonable basis for future, but it is certain Viet Nam will find much fault therewith, as they fall short of the larger degree of independence desired by that state. Growing belief High Commissioner and Commissioner for Cochin-China<sup>57</sup> may go as their policy subjected increasing criticism here and reportedly in France, particularly in calling Dalat conference knowing Viet Nam could object and in creating Cochin-China Govt without reference to referendum. However, they argue no reason why French Viet Nam negotiations should decide future without reference to other states and that necessary atmosphere for referendum is lacking (latter probably true as any referendum under existing conditions might well increase partisan activities). Unquestionably both officials are less liberal in views re native peoples than when first came to French Indochina. Next move will be submission Dalat proposals to French Govt and attempt to reconcile proposals with Fontainebleau agenda. However, regardless soundness many these proposals, difficult foresee any great degree success in above so long as Cochin China stays apart from Viet Nam, which is one point of French policy in French Indochina.

REED

<sup>57</sup> Jean Cedile.



851G.00/8-2946 : Telegram

*The Acting Secretary of State to the Consul at Saigon (Reed)*

SECRET

WASHINGTON, September 4, 1946—5 p. m.

240. Action urtel 354 Aug 26<sup>58</sup> commended. Lose no opportunity counteract with persons responsible press orientation, and in manner you deem most effective, French colonial tendency picture US as aggressive and imperialistic. This brings certain French colonials, unwittingly for most part, very close to Communist Party line.

With his knowledge US Clarac (reurtel 357 Aug 29,<sup>58</sup>) should know better than encourage anti-American suspicions this juncture Franco-American relations, and Dept believes he can be persuaded take and foster attitude required by logic events.

CLAYTON

851G.00/9-646 : Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

SAIGON, September 6, 1946.

[Received September 7—11 : 20 a. m.]

364. Announcement made of signature on August 28 of French-Laotian *modus vivendi* regulation [*regulating*] provisionally relations between the two states. Similar to French-Cambodian *modus vivendi* and Laos will have its own government, administration, parliament, army and finances. Also announcement Laotian elections to be held soon for membership of Assembly which will discuss and vote upon constitution.

REED

851G.00/8-746 : Telegram

*The Acting Secretary of State to the Consul at Saigon (Reed)*

SECRET

WASHINGTON, September 9, 1946—2 p. m.

241. Intelligence reports of uncertain reliability state USSR (a) anxious see Ho Chi Minh succeed unite three Kys under Viet Nam for possible eventual weapon against National Govt China and (b) has instructed French Communists manoeuvre reliable French Officers to Indochina for training cadres future Viet Nam army. Keep Dept informed indications subservience to Party line by Ho and other leaders, relative strength Communist and non-Communist elements Viet Nam, and contacts with Communists other countries. Inform O'Sullivan. Sent Saigon. Repeated Paris<sup>59</sup> for info.

CLAYTON

<sup>58</sup> Not printed.<sup>59</sup> As telegram 4680.

851G.00/9-1146

*The Ambassador in France (Caffery) to the Secretary of State*

CONFIDENTIAL

No. 6131

PARIS, September 11, 1946.

[Received September 17.]

SIR: I have the honor to report that at his request I received a visit this morning from M. Ho Chi Minh, "President of the Republic of Viet-Nam", who confirmed the news published in the local press that the Fontainebleau negotiations between the Viet-Nam representatives and the French representatives have practically broken down and the Viet-Nam delegation will be returning to Indochina within the next few days.

The principal point on which they failed to reach agreement concerns Cochin China: the French representatives insist that Cochin China be an "independent" entity in an Indochinese federation, while the Viet-Nam representatives insist that one central government in Indochina must dominate the whole country. He said that he and his party aspired to Viet-Nam "independence" in an "Union Française". He said that they would like to receive some "help" from us, but did not specify what he meant by that. He took occasion to say that he was not a communist.

From the general fuzziness of his remarks, I gathered that he would like us to get into the game and he would be very pleased if he could use us in some way or other in his future negotiations with the French authorities.

I expressed our interest in Indochina and the people of Indochina but made no commitments.

Respectfully yours,

JEFFERSON CAFFERY

851G.00/9-1246 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

CONFIDENTIAL

PARIS, September 12, 1946—6 p. m.

[Received September 13—12:25 a. m.]

4591. Following definite adjournment of Fontainebleau Conference, plans for signature of "modus vivendi" have also broken down. Vague AFP communiqué indicates Viet-Nam delegation presented new demands at moment of signature after previous agreement had been reached on draft. In conversation with member of staff last evening Ho Chi Minh stated disagreement arose over Viet-Nam demand that freedom of press and assembly be allowed in Cochin China and political prisoners be released. Ho still feels there is chance for agreement but will leave in any case September 14 for Saigon.

Sent Department as 4591; Department please repeat to Saigon as our 12.

CAFFERY

851G.00B/9-1746 : Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

SECRET

SAIGON, September 17, 1946—11 a. m.  
[Received September 18—1:03 a. m.]

374. Both Clarac and Chief of Sûreté have informed me increase[d] Communistic activities in French Indochina are disquieting. Intercepted letters indicate Chinese Communists are entrenched in Chinese centers Saigon and Haiphong and that Annamites chiefly in Tonkin and Annam, but also to certain extent in Cochin China, are receiving much Communist propaganda. They feel Viet Nam leaders not entirely responsible for this apparent trend but point out those leaders have Communist training and leanings. Clarac added that one difficulty in handling Communist problem is impossibility using word "Communist" in regard to this movement as strength of Communist party in France precludes any unfavorable mention. Both believed continuance uncertainty French-Viet Nam relations despite signing provisional agreement <sup>60</sup> will contribute to such activities but stressed Communists are already in French Indochina (no Russians) and close watch over developments must be maintained as agencies outside French Indochina are undoubtedly supplying propaganda.

This telegram 374 to Department, repeated as 2 Nanking. Department please repeat Paris.

REED

851G.00/9-1746 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

CONFIDENTIAL

PARIS, September 17, 1946—5 p. m.  
[Received September 17—3:24 p. m.]

4671. At final conference with French September 14, Ho Chi Minh signed joint declaration and *modus vivendi* and departed few hours later for Toulon to sail for Saigon. Agreement will be submitted to French Cabinet tomorrow <sup>61</sup> and after expected approval, given to press on September 19. Following are essential points of agreement summarized from text obtained from Foreign Office.

<sup>60</sup> See telegram 4671, *infra*.

<sup>61</sup> The French Council of Ministers approved the agreement on September 18; the text was transmitted to Department in despatch 6202, September 20, 1946, from Paris; neither printed.



Joint declaration emphasizes agreement of March 6, 1946, still in effect but *modus vivendi* providing provisional solutions of urgent problems was necessary until permanent and definitive agreement could be reached. Date and procedure for referendum in Cochin China is to be fixed later. It is expected Fontainebleau conference will be resumed in January 1947.

Summaries of numbered paragraphs of *modus vivendi* follow:

1. Reciprocal "democratic" rights for citizens of one country in territory of other.
2. Recognition of reciprocal property rights. French property requisitioned or seized in Viet Nam to be restored.
3. French schools to operate freely in Viet Nam; Pasteur Institute to be restored to French.
4. Viet Nam to give France priority when seeking advisors, technicians or experts.
5. Piastre tied to French franc to be single currency for Indochina with Banque de l'Indochine as temporary bank of issue.
6. Establishes customs union and free trade within Indochinese federation.
7. Provides for coordination of transport and communications of all types within federation and *Union Française*.
8. Pending agreement on Viet Nam diplomatic relations, Mixed Commission will arrange consular representation with neighboring states.
9. Re Cochin China: (a) all fighting to cease; (b) Mixed Commission of general staffs to control this; (c) all political and military prisoners to be released except those accused of common crimes; (d) democratic liberties reciprocally guaranteed; (e) unfriendly propaganda mutually to cease; (f) collaboration in control of ex-enemy citizens; (g) representative of Viet Nam accredited to High Commissioner will control execution of above provisions.

Signed by Ho Chi Minh and Marius Moutet.

It will be seen that Ho Chi Minh obtained satisfaction on majority of points reported in mytel 4591, September 12.

Boissézon of Foreign Office states French generally satisfied with agreement but would [have] liked to include paragraphs defining more precisely relations of Viet Nam to Indochinese federation and French Union. They were also unsuccessful in having written into agreement provisions for disarmament of resistance elements in Cochin China but Boissézon claims it was orally understood with Ho Chi Minh that such elements would have chance of either retiring to Tonkin with arms and baggage or giving up arms if remaining in Cochin China.

Sent Dept as 4671, repeated London as 690, Dept please relay to Saigon as 2.

CAFFERY

851G.00B/10-946: Airgram

*The Acting Secretary of State to the Consul at Saigon (Reed)*

SECRET

WASHINGTON, October 9, 1946.

A-29. Reference Department's telegram Number 241 of September 9 and Consulate General's telegram Number 374 of September 17.

Department would appreciate information on the origins and significance of the use of a gold star in the center of a red field as the Vietnam flag. The flag of the Malayan Peoples Anti-Japanese Union forces in Malaya (an organization undisguisedly controlled by Chinese Communists) was red with three gold stars in the upper right corner. Three stars were used to symbolize the three races in Malaya. Although the MPAJU has been disbanded, the Communist movement in Malaya is still known as the three-star movement.

The official Vietnam explanation of the Vietnam flag would be especially interesting in view of Ho Chi Minh's denial of Communist orientation on the part of his government, since the Vietnam Government must certainly realize that the use of a gold star on a red field will inevitably lead nationals of other countries to form conclusions which the Vietnam Government would apparently not wish them to form.

ACHESON

851G.00/10-1946: Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

CONFIDENTIAL

SAIGON, October 19, 1946—6 p. m.  
[Received October 22—2:05 p. m.]

411. Meeting High Commissioner and Ho took place yesterday as reported mytel 409, Oct 18.<sup>62</sup> Few details known but understand meeting most amicable with Ho unusually pro-French and even denouncing Vietnam terrorist activities. So much so one recalls earlier rumors Ho has sold out to French. If above true, question poses itself whether Ho can keep unqualified support in north, particularly in view of further reports of Communist character of that state. I still believe French Communists desire soft pedal Communist trends Vietnam for political reasons and will adopt passive attitude until

<sup>62</sup> Not printed. In despatch 6, October 22, 1946, from Hanoi, Vice Consul O'Sullivan reported the return there on October 21 of Ho Chi Minh from France by way of Camranh Bay, where he had conferred with Admiral d'Argenlieu on October 18, and added: "Generous gestures on the part of both the French and Vietnamese created an unparalleled atmosphere of public amity and cordiality between the two groups." (851G.001/10-2246)



after elections. FIC vote against constitution (mytel 404<sup>63</sup>) is believed to be vote against left and is possible Fascist reaction against theory independence for native peoples.

REED

851G.00/10-2546 : Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

SECRET

HANOI, October 25, 1946—11 a. m.

[Received 9:20 p. m.]

96. In private conversation, Ho Chi Minh told me that effectiveness of *modus vivendi* would depend upon French actions in Cochinchina.

"If they allow spread of democratic liberties, release political prisoners, and stop attacking my people, things will go well for them in Tonkin. Otherwise the commissions (provided for in *modus vivendi*) will not accomplish much", he said.

He added fighting in south would not stop unless French applied agreement locally.

He stated Vietnamese policy remained unchanged: i.e., Nambo<sup>64</sup> must be united to Vietnam. He thought that French had reached conclusion that referendum in Cochinchina would favor unification and they therefore seemed to be seeking to avoid it.

He said he had been promised no economic aid but thought French would provide what they could if and when definite agreement was reached.

In concluding Ho said that if there was any information I required he would see that I obtained it.

O'SULLIVAN

851G.00/11-146 : Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

SECRET

HANOI, November 1, 1946—8 a. m.

[Received November 2—12:30 p. m.]

101. ReDeptel 241, September 9, 2 p. m., to Saigon. There apparently is contact between Vietnam and Chinese Communists.

Reports difficult to verify indicate presence in Vietnam of Chinese Communists who are said to be used as advisors in provinces. Num-

<sup>63</sup> Telegram of October 15, not printed; it reported that preliminary figures in the referendum vote in Indochina showed an overwhelming majority "voted no" (8333 to 1701). (851G.001/10-1546)

<sup>64</sup> Southern district, meaning Cochinchina.



bers are not known but estimates run to hundreds. Traffic apparently is directed by sea from Shanghai to Hong Kong, thence to Haiphong.

However, any reports concerning presence of Chinese Communists in Haiphong itself should be regarded with suspicion. Pirates from South China have combined with Chinese Army deserters to black-mail Chinese congregating there. While calling themselves Communists, they are actually outlaws.

O'SULLIVAN

851G.00/11-446: Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

RESTRICTED

HANOI, November 4, 1946—5 p. m.  
[Received November 6—6:21 a. m.]

103. Change in government took place over the week-end. Ho Chi Minh assumed the duties of Minister of Foreign Affairs as well as President. Dong Minh Hoi and Quoc Dan Dang Parties received reduced representation. The new government is simply a shifting of personnel. Viet Minh control of Cabinet is more complete than ever.

Repeated to Nanking, Saigon informed airmail.

O'SULLIVAN

851G.00/11-2946: Telegram

*The Ambassador in France (Caffery) to the Secretary of State*<sup>65</sup>

PARIS, November 29, 1946—3 p. m.  
[Received November 29—12:53 p. m.]

5857. The French are very concerned over developments in Indochina. A high Foreign Ministry official said they are particularly worried because they have "positive proof that Ho Chi Minh is in direct contact with Moscow and is receiving advice and instructions from the Soviets."<sup>66</sup>

Repeated London as 780, Moscow as 416.

CAFFERY

<sup>65</sup> Repeated by the Department to Hanoi as No. 15 and to Saigon as No. 299.

<sup>66</sup> Consul Reed, in telegram 463, December 2, 1946, 3 p. m., from Saigon, in response reported "Majority my contacts confirm generally development of Communist setup in FIC, chiefly in Tonkin, North Annam", as previously telegraphed (851G.00/12-246). Hanoi had sent a number of telegrams and despatches in regard to fighting at Haiphong between French and Vietnamese forces since November 23, following various incidents earlier and a French ultimatum to Vietnam to evacuate certain areas.

851G.00/11-3046 : Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

SECRET

HANOI, November 30, 1946—1 p. m.

[Received December 1—11 a. m.]

127. French today informed Vietnamese that withdrawal Vietnamese troops Haiphong must be accepted, that no discussion this condition possible. In effect it is ultimatum without time limit. French seem determined to force Vietnamese collaboration on French terms or to crush Government.

Vietnam course of action not yet determined.

Meanwhile, exodus from Hanoi continues. Vietnamese Government at least in part has evacuated city. Population particularly in outskirts almost in panic.

O'SULLIVAN

851G.00/12-346 : Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State* <sup>67</sup>

SECRET

HANOI, December 3, 1946—noon.

[Received December 4—4 a. m.]

131. ReDeptel 15, November 29.<sup>68</sup> Possibility Ho Chi Minh in contact Moscow suggested my telegram 99, October 29<sup>69</sup> but have no further information available.

Am beginning believe Ho following line which will keep him in contact with French and will assure certain amount French influence here after three Kys united as suggested Deptel 241, September 9 to Saigon. Then, if and when, Communist Govt established in France, Vietnam Govt will progressively apply Marx principles.

However, that French should only now become concerned with development is peculiar. Un Govt<sup>70</sup> sow seeds more nationalist than year ago. French to my certain [knowledge?] have known since 193 [*sic*] that (?) is Ho Chi Minh (?)<sup>70a</sup> stands very high in Third International. They further have strongly suspected for at least year that if Ho was not receiving instructions from Moscow it was only because of technical difficulties in transmission. It is further very peculiar that French concern should be brought to Dept's attention at very moment when French apparently are beginning to [apparent omission] program in Tonkin and when French may be preparing to force Vietnam Govt to collaborate on French terms or to establish puppet govt in its place.

<sup>67</sup> Repeated by the Department to Paris in telegram 6332, December 5, 1946, 7 p. m.

<sup>68</sup> See footnote 65, p. 63.

<sup>69</sup> Not printed.

<sup>70</sup> Government of the Union of Indochinese states.

<sup>70a</sup> The foregoing portion of this sentence is apparently garbled.



French concern over Communism may well be devised to divert Dept's attention from French policy in Indochina.

O'SULLIVAN

851G.00/12-346 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, December 3, 1946—2 p. m.

[Received 4:37 p. m.]

5921. In conversation today with Baudet re situation in Indochina, he stated decisions of Interministerial Commission on Indochina (re which there has been so much speculation in press—mytel 5895, December 1<sup>71</sup>) were necessarily of interim character in view of uncertain political situation in France. It was decided French policy in Indochina should continue to be based on agreement of March 6 and *modus vivendi* of October, and every effort should be made through negotiations with Vietnam-leaders to apply provisions of these agreements. However, when too flagrant breaches of provisions occur on part of Vietnam, forceful measures would be used on local and restricted scale. Recent decisions to take over complete military control of Haiphong is example of how the policy will be applied.

Baudet emphatically denied there was any question of "reconquest" of Indochina such as is being talked of in certain circles and even in press. Not only would such military solution of difficulties be contrary to French colonial policy and repugnant to French public opinion but it is doubtful if France has military strength to accomplish it. Program for relief and replacement of French troops in Indochina, which has been underway for some time, will be continued and speeded up, but there will be no over-all increase in number of troops (approximately 50,000 metropolitan and 25,000 native) with exception of slight strengthening of *gendarmerie*, bringing total strength to perhaps 80,000.

Re persistent rumors that Admiral d'Argenlieu would not return to Indochina, Baudet said there was no question of his immediate replacement and that d'Argenlieu intended to return although his departure might be delayed until French political picture clears somewhat. Baudet admitted, however, that d'Argenlieu's usefulness in Indochina had been considerably impaired by Admiral's growing dislike of Vietnam officials with whom he has to deal and his failure to keep his opinions to himself. Thus d'Argenlieu's replacement by civilian official might appear desirable in future.

Baudet said that information available to Foreign Office proved recent worsening of situation on [*in?*] Indochina was part of deliber-

<sup>71</sup> Not printed.



ate plan of Vietnam to try to obtain advantages and concessions during present confused political period in France, and Vietnam was making great efforts to obtain support of French Communist Party. French Communist leaders have been bombarded with telegrams from Indochina, and CGT has been asked to order dock workers to stop loading troop and supply ships for Indochina. This pressure has been of considerable embarrassment to French Communist Party coming, as it does, at time when party is trying to persuade French public that Communist government would be safe custodian of France's international interests, and, more particularly, to persuade Radical Socialists to enter leftwing coalition government. Anti-Communist press in turn tends to exaggerate situation in Vietnam to encourage nationalist reaction of radicals. Naturally Foreign Office deplores seeing Indochina problem made into political football.

Sent Washington 5921. Repeated London 793.

CAFFERY

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851G.00/12-446 : Airgram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, December 4, 1946.

[Received December 11—10:26 a. m.]

A-1869. I had a visit this morning from Admiral Thierry d'Argenlieu who talked at some length about the situation in Indochina. He said in brief that the overall situation in Indochina is not as bad as described in the press and that he is confident that unless Thorez<sup>72</sup> heads the French Government, which he thinks unlikely, he will be able at long last to bring Indochina back to more or less normal without embarking upon a campaign of reconquest for which he said "We have neither the means nor the disposition." "However", he remarked, "we must face the fact that all the members of the Ho Chi Minh government are Communists and use Communist methods." He insisted that the Ho Chi Minh government represents a very small part of the population of Indochina and even of Annam. He observed that it is important for him to return to Indochina at a very early date but that obviously he cannot return until a government is set up here and he will not return unless he feels that he is backed by the government. I asked: "Under those circumstances, when do you think you will leave?" He replied: "In about 10 days."

CAFFERY

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<sup>72</sup> Maurice Thorez, Secretary-General of the French Communist Party.

851G.00/12-546

*Memorandum of Conversation, by the Assistant Chief of the Division of Southeast Asian Affairs (Landon)*

CONFIDENTIAL

[WASHINGTON,] December 5, 1946.

In the course of a conversation M. Lacoste asked me what my personal views were on the future of Vietnamese and French relations in French Indochina and inquired whether I thought the question might be raised in the Security Council and, if it were raised, what I thought our position might be.

I replied that it was difficult to appraise the situation in Indochina with the information that we had on hand, that, as he knew, the Chief of SEA, Mr. Moffat, was in Indochina and that we would probably get a fuller knowledge of the situation on his return. I added that it seemed to me, speaking personally, that if one were going to try to be prophetic in regard to Indochina one would have to consider it in a larger framework than the geographic boundaries of Indochina. One would have to consider the course of events in other countries in Southeast Asia and the Far East.

I asked M. Lacoste if he had in mind the possibility of his own Government bringing the matter before the Security Council. He emphatically replied in the negative and said that, of course, his Government would take all steps possible to prevent such a development. I asked him whether he felt the *modus vivendi* and the agreement of October 6 offered a sound basis for a solution of the difficulties in Indochina if both parties attempted to implement those agreements with goodwill. He said he thought that they did provide a good working basis and that the Vietnamese were not living up to their commitments.

851G.00/12-346 : Telegram

*The Acting Secretary of State to the Consul at Saigon (Reed)*

SECRET

WASHINGTON, December 5, 1946—3 p. m.

US URGENT

305. For Moffat: Assume you will see Ho in Hanoi and offer following summary our present thinking as guide.

Keep in mind Ho's clear record as agent international communism, absence evidence recantation Moscow affiliations, confused political situation France and support Ho receiving French Communist Party. Least desirable eventuality would be establishment Communist-dominated, Moscow-oriented state Indochina in view Dept, which most interested info strength non-communist elements Vietnam. Report fully, repeating or requesting Dept repeat Paris.



Recent occurrences Tonkin cause deep concern. Consider March 6 accord and *modus vivendi* as result peaceful negotiation provide basis settlement outstanding questions between France and Vietnam and impose responsibility both sides not prejudice future, particularly forthcoming Fontainebleau Conference, by resort force. Unsettled situation such as pertains certain to offer provocations both sides, but for this reason conciliatory patient attitude especially necessary. Intransigence either side and disposition exploit incidents can only retard economic rehabilitation Indochina and cause indefinite postponement conditions cooperation France and Vietnam which both agree essential.

If Ho takes stand non-implementation promise by French of Cochinchina referendum relieves Vietnam responsibility compliance with agreements, you might if you consider advisable raise question whether he believes referendum after such long disorder could produce worthwhile result and whether he considers compromise on status Cochinchina could possibly be reached through negotiation.

May say American people have welcomed attainments Indochinese in efforts realize praiseworthy aspirations greater autonomy in framework democratic institutions and it would be regrettable should this interest and sympathy be imperilled by any tendency Vietnam administration force issues by intransigence and violence.

May inform Ho Caffery discussing situation French similar frankness. For your info, Baudet in Dec 3 conversation stated 1) no question reconquest Indochina as such would be counter French public opinion and probably beyond French military resources, 2) French will continue base policy March 6 accord and *modus vivendi* and make every effort apply them through negotiation Vietnam, 3) French would resort forceful measures only on restricted scale in case flagrant violation agreements Vietnam, 4) d'Argenlieu's usefulness impaired by outspoken dislike Vietnam officials and replacement perhaps desirable,<sup>73</sup> 5) French Communists embarrassed in pose as guardian French international interests by barrage telegraphic appeals from Vietnam. Caffery will express gratification this statement French policy with observation implementation such policy should go far obviate any danger that 1) Vietnamese irreconcilables and extremists might be in position make capital of situation 2) Vietnamese might be turned irrevocably against West and toward ideologies and affiliations hostile democracies which could result perpetual foment Indochina with consequences all Southeast Asia.

<sup>73</sup> In telegram 307, December 6, 1946, 4 p. m., to Saigon, the Department stated that Paris had expressed the hope that the Department would emphasize to Saigon and Hanoi the confidential nature of the source of the opinion on Admiral d'Argenlieu. This was repeated to Hanoi. (851G.00/12-646)



Avoid impression US Govt making formal intervention this juncture. Publicity any kind would be unfortunate.

Paris be guided foregoing.

Sent Saigon as 305 rptd Hanoi as 18 and Paris as 6322.

ACHESON

851G.50/12-646 : Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

CONFIDENTIAL

SAIGON, December 6, 1946—4 p. m.  
[Received December 7—11:12 p. m.]

472. During visits Moffat to high French officials latter almost invariably stressed French desire arrive at peaceable settlement with Vietnam, commenting difficulty dealing with Vietnam and that latter almost always tried put political aspect to even simplest economic negotiations, and hinting France could and would go only so far in the desired settlement. One interesting remark by Commissioner for Finance was to effect France not working for political federation in French Indo-China but rather build up economic federation in which all interests would be represented and protected—he pointed out inability Vietnam understand purely economic questions and present indifference to such primary matters as affect the national economy. He and another high official stressed willingness even desire for foreign capital investments in FIC if they were for constructive purposes and not (mentioning Chinese specifically) speculative, Commissioner for Finance, however, recommending foreign capital should be united with French knowledge conditions. In above connection question is raised whether French would insist upon larger share capital and/or majority board directors. Commissioner for Economic Affairs was optimistic for next year's rice crop, estimating at least 250,000 tons exportable surplus and if political conditions improve as much as 500,000. Prospect for rubber not so bright (perhaps 30,000-35,000 tons) unless labor question solved and mentioned plan under study import 5,000 Chinese coolies but said FIC natives would possibly not react kindly to this. Mentioned also allocations of FIC rice exports this year have not been taken up completely. Among other points Commissioner for Political Affairs stated personnel all mixed commissions envisaged by modus vivendi have been named but still discussion where they are to meet—understand Mixed Military Commission has temporarily suspended its work in Hanoi until situation is clarified. Almost all officials remarked in one form or another Communist character of regime in north and one stated specifically

Soviet mission here (mytel 451, November 21 <sup>74</sup>) has already violated its undertaking not to engage in political activities in FIC.

In comment above and previous telegrams feel French would accept solution protecting interests but will only go so far (witness present stiffer attitude) but hesitate believe French would engage upon full scale military operations unless absolutely forced. French appear to realize no longer possible maintain closed door here and non-French interests will have chance to participate in unquestioned rich economic possibilities. Before this can happen political situation must be settled and in doing this Cochin China question will be turning point—still believe French will find it difficult to save Cochin China unless prepared to fight, for in choice between Vietnam and French the Cochin Chinese will join former despite dislike of Tonkinese and fear of economic and political exploitation by them.

REED

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851G.00/12-746 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, December 7, 1946—4 p. m.  
[Received December 7—1:51 p. m.]

6019. Views expressed in Department's 6322, December 5 <sup>75</sup> conveyed to Baudet today. With regard to attitude of Ho Chi Minh, French felt that, while they had never been entirely sure of him, he had left France with the intention of sincerely endeavoring to implement the modus vivendi. However, since his return to Indochina he has been under increased pressure from Communist inspired extremist elements and Ho's attitude has tended to drift in their direction.

Instructions have been sent to French officials in Indo-China to grant every assistance and complete information to Moffat since it is felt that his visit may be of great assistance.

Baudet confirmed that FonOff feels that the ultimate solution of the Cochin China dilemma will be a scheme for the formal inclusion of Cochin China within Vietnam but with considerable local autonomy which would preserve and guarantee French interests in that region. No approach along this line has as yet been made to him or to any other Vietnam leaders since it is felt that the present atmosphere is not propitious.

Department please repeat to Saigon as our 5.

CAFFERY

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<sup>74</sup> Not printed.

<sup>75</sup> The same as telegram 305, December 5, 3 p. m., to Saigon, p. 67.



851G.00/12-1646

*Memorandum of Conversation, by the Assistant Chief of the Division of Southeast Asian Affairs (Landon)*

CONFIDENTIAL

[WASHINGTON,] December 16, 1946.

In the course of a conversation on another subject M. Lacoste asked whether we were getting any news from Indochina. I said that, of course, we were getting information from Indochina but that we were not getting enough to make the situation seem clear-cut; that the general impression derived from the reports was that the situation was not improving between the French and the Vietnamese and that it might be deteriorating.

M. Lacoste asked whether I had any ideas as to a possible solution such as, for instance, the displacement of Ho Chi Minh and other communist extremists with more reasonable, moderate Vietnamese leaders. I said that such a displacement of the present Vietnamese leaders seemed unlikely and asked whether M. Lacoste felt that any outside power or organization could help the situation if its good offices were utilized. M. Lacoste was horrified at the thought and assured me that no French Government would ever consider utilizing the good offices of a third power or of an organization such as the United Nations in an attempt to resolve its difficulties with the Vietnamese. He pointed out that French use of the good offices of the United States Government in the solution of differences with Siam was very different from the use of good offices in an internal situation in Indochina. M. Lacoste then inquired whether I had any more information which I could provide him on recent developments in Indochina and I said that I had none.

851G.00/12-1646 : Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

SECRET

HANOI, December 16, 1946—7 p. m.

[Received December 17—11:07 a. m.]

140. Giam, Undersecretary Foreign Affairs, told me today Vietnam Govt is considering appeal direct to French Govt to reduce present impasse. Giam said Vietnamese would offer: (1) to open Haiphong-Hanoi, Langson-Hanoi roads: (2) to reduce anti-French propaganda in press and radio; (3) to suppress barricades and "defensive works" (now reaching formidable proportions) in Hanoi and elsewhere; (4) to return civilian populations to cities.

In return, Giam said Govt would request establishment of *status quo* as before November 20 (possibly creating no-man's-land between



French and Vietnamese troops to prevent clashes) and of two mixed committees to handle Haiphong customs and military questions. He indicated final form of appeal, if made, might be somewhat changed in detail.

Appeal would offer means of starting conversations. However, if French authorities here consulted, they most certainly will be exceedingly reluctant to reestablish *status quo* before November 20 in Haiphong.<sup>76</sup>

Repeat to Paris.

O'SULLIVAN

851G.00/12-1746: Circular airgram

*The Secretary of State to Certain Missions Abroad*<sup>77</sup>

WASHINGTON, December 17, 1946—1:05 p. m.

SECRET FOR CHIEF OF MISSION

#### BASIC FRENCH-VIETNAMESE DIFFICULTIES

After conversations with French and Vietnamese officials and British, Chinese and US Consuls Hanoi Mr. Abbot Moffat, who is at present in SEA, has developed views in which Consul Saigon concurs along the following lines:<sup>78</sup>

The Vietnam Government is in control of a small Communist group possibly in indirect touch with Moscow and direct touch with Yenan. A nationalist group is utilizing Communist party techniques and discipline with which they are familiar. The people are conservative landowners and attempts to communize the country are secondary and would await successful operation of a nationalist state. Apparently some leaders, like Ho Chi Minh, consider collaboration with the French essential; those like Giap<sup>79</sup> would avoid collaboration fearing French domination but might not reject French influence and aid. Nationalist sentiment runs deep among the Vietnamese as does opposition to the French, and they might easily turn against all whites. French influence is important not only as an antidote to Soviet in-

<sup>76</sup> Telegram 142, December 18, 1946, noon, from Hanoi, reported two further requests were added to the appeal to Premier Léon Blum; namely, to cease "mopping-up" operations in Cochin China and south Annam and to withdraw 800 troops from the reinforced garrison at Tourane. A second message might also be sent to suggest that a French parliamentary commission visit Indochina to investigate the situation. (851G.00/12-1846)

<sup>77</sup> At London, Moscow, and Nanking.

<sup>78</sup> Telegram 479, December 12, 1946, 5 p. m., from Saigon (851G.00/12-1246), transmitted Mr. Moffat's report in which he stated he had left Hanoi on December 9 before receiving the Department's telegram 305, December 5, 3 p. m., p. 67.

<sup>79</sup> Vo Nguyen Giap, Minister of National Defense.

fluence but to protect Vietnam and SEA from future Chinese imperialism. Delay in achieving a settlement will progressively diminish the possibility of ultimate French influence.

The honesty of both French and Vietnamese officials is questionable in connection with recent incidents. O'Sullivan believes the Vietnamese were responsible for the November 20 incident, but it seems clear that with a different French commander at Haiphong than Colonel Debes, . . . the trouble might have been confined to the original incidents.

According to the French, the Vietnamese enlarge their claims after each agreement and are so impractical and doctrinaire that all conversations are ineffectual. The Vietnamese feel that the French renege on each agreement and are trying to reestablish control. However, both say they have approximately the same objectives, although Giap says Vietnam opposes a political Indochinese federation but favors a federation dealing with common economic problems. Moffat has mentioned to the French three apparent basic troubles: (a) complete mutual distrust, (b) failure of the French to resolve their own views on "free state within French Union", (c) almost childish Vietnamese attitude and knowledge of economic questions and vague groping for "independence". Agreement cannot be reached by trying to reach accords on incidental problems. Basic Vietnam powers and relations with France must first be established. Not only new faces are needed but neutral good offices or even mediation may be essential.

BYRNES

851G.00/12-1946: Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

CONFIDENTIAL

SAIGON, December 19, 1946—5 p. m.  
[Received December 20—3:06 a. m.]

490. Since visit Moffat and *New York Times* correspondents, pro-Vietnam press publishes almost daily critical articles regarding US and its policy, lack of policy, vis-à-vis French-Vietnam dispute—also references to third party intervention with inference that US will eventually seek economic benefits from this dispute. In mentioning tenor of press, long time resident of French Indochina deplores US not taking more positive stand in present dispute and warns failure French-Vietnam negotiations and apparent indifference US can only drive Annamites into Soviet sphere of influence.

REED



851G.00/12-1946: Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

CONFIDENTIAL

BATAVIA, December 19, 1946—5 p. m.  
[Received December 20—12:10 p. m.]

486. For Vincent from Moffat: "If Deptel 436, December 16, to Singapore<sup>80</sup> sent before receipt my long telegram from Saigon,<sup>81</sup> Dept, in light views expressed, may prefer my return Washington as planned instead of proceeding Canberra. For reasons stated feel settlement Vietnam question extremely difficult and conditions dangerous with possibility deliberate Vietnam spread of conflict to Cambodia and Laos. Believe possibility US assistance should be earnestly considered despite risk of rebuff or unpopularity, especially in view apparent French confidence US resulting from Siamese settlement."

FOOTE

851G.00/12-2046: Circular telegram

*The Secretary of State to Certain Diplomatic and Consular Officers*<sup>82</sup>

CONFIDENTIAL

WASHINGTON, December 20, 1946—10 a. m.

Amb Paris states Moutet, Minister Overseas, will leave soon visit all parts Indochina confer with Ho Chi Minh after which he will go Nanking discuss Chinese relations with Indochina. D'Argenlieu will arrive Indochina same time as Moutet. Caffery says<sup>83</sup> question French policy Indochina was important factor during recent political crisis, opinion being sharply increasingly divided on subject. Left-wing parties defended liberal policy toward Vietnam, accusing d'Argenlieu, French military, civilian authorities Indochina of sabotaging Mar 6 agreement and *modus vivendi*. Radical Socialists, MRP and other center and rightwing parties accused Moutet of giving away France's most valuable colony, demanded firmer attitude toward Ho and Vietnam. In speech to Assembly, Communist Duclos spoke of need for policy protecting interests French union, maintaining interests France everywhere in world. He warned France must not make Indochina same mistakes that cost her position Levant. This moderate but cryptic statement reflects recent Communist caution re Indochina which generally interpreted as designed avoid opposing public opinion which is increasingly anxious over possibility losing Indochina. Caffery remarks Blum Govt's decision send both Moutet,

<sup>80</sup> Not printed.<sup>81</sup> Telegram 479, December 12; see footnote 78, p. 72.<sup>82</sup> At Moscow, Nanking, and Saigon.<sup>83</sup> Telegram 6183, December 19, 1946, 5 p. m., not printed.



d'Argenlieu Indochina seems be compromise which avoids any decision betw[een] opposing advocates of firm and conciliatory policy. He doubts whether such comp can hope solve successfully serious crisis which arisen Indochina.

BYRNES

851G.00/12-2146 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, December 21, 1946—noon.  
[Received December 21—8:30 a.m.]

6210. The Chinese Ambassador came to see me this morning to say that his Government is worried about present trend of events in Indochina and would like to suggest that the consular representatives at Hanoi of the United States, Great Britain and China offer their good offices in an attempt to find some sort of solution or solutions for the present lamentable "crisis". He said that his colleague at Washington was approaching the State Department on this matter and he asked me to let him know as soon as I received anything pertinent from Washington.<sup>84</sup>

I received the impression the Chinese would not be averse to fishing in the Indochina pond.<sup>85</sup>

CAFFERY

851G.00/12-2346

*Memorandum by the Director of the Office of Far Eastern Affairs (Vincent) to the Under Secretary of State (Acheson)*

[WASHINGTON,] December 23, 1946.

The serious implications of the fighting between the French and the Vietnamese which took place in the Tonkin towns of Haiphong and Langson during the week of November 20-27 were noted in a memorandum to you of November 26.<sup>86</sup> It was feared at that time that a showdown by force was in the making. This now appears to have eventuated. For the past six days, open war has been raging in Tonkin and at several points in Annam. The Vietnamese Govern-

<sup>84</sup> The Chinese Embassy in London made similar inquiries at the British Foreign Office on December 20 and 23, as reported in telegrams 10216 and 10245, December 21 and December 24, 1946, from London (851G.00/12-2146, 12-2446).

<sup>85</sup> Telegram 6259, December 26, 1946, 1 p. m., from Paris reported the announcement in the Paris press of December 23 and 24 of the formation at Nanking of a refugee Vietnamese government, headed by the former Foreign Minister, Nguyen Tuong Tam. It reported further that Philippe Baudet of the French Foreign Office had remarked on December 23 that the formation of this government was an attempt to supplant Ho Chi Minh through Chinese intervention (851G.00/12-2646).

<sup>86</sup> Not printed.

ment has fled Hanoi and the French are endeavoring to clear the city of remaining Vietnamese guerillas with planes and tanks. Vietnamese casualties during the past month are probably now well over 2,000. Although French casualties have been far lighter, Sainteny (Commissioner for Tonkin and northern Annam) was himself seriously wounded four days ago.

You may wish to make the following points when you see Ambassador Bonnet this afternoon:

1. We are deeply concerned by the outbreak of war in Tonkin and Annam and by the apparent severance of most of the contacts between the French and the Vietnamese and are fully aware of the unhappy position in which the French have been placed;

2. We are gratified by the news that M. Moutet (Minister for Overseas France) is proceeding immediately by air to Indochina to obtain first-hand information on the situation;

3. We are aware that such unsettled conditions as now prevail in northern Indochina offer provocation to outside interference and are disturbed lest:

- a. The conflict be brought up before the Security Council as a threat to peace;

- b. Other powers attempt some form of intervention, in which connection it may be noted that the Chinese press has reported that the dispatch of Chinese troops to the area is being considered owing to the heavy losses sustained by the local Chinese in the November fighting;

*For your information:*

Although the French in Indochina have made far-reaching paper-concessions to the Vietnamese desire for autonomy, French actions on the scene have been directed toward whittling down the powers and the territorial extent of the Vietnam "free state". This process the Vietnamese have continued to resist. At the same time, the French themselves admit that they lack the military strength to reconquer the country. In brief, with inadequate forces, with public opinion sharply at odds, with a government rendered largely ineffective through internal division, the French have tried to accomplish in Indochina what a strong and united Britain has found it unwise to attempt in Burma. Given the present elements in the situation, guerilla warfare may continue indefinitely.

In connection with the possibility of Chinese intervention in Indochina, the Chinese Embassy in London has approached the Foreign Office to propose joint Chinese-British intervention in Indochina and the Chinese Embassy in Paris has approached our Embassy in Paris to propose Chinese-British-American intervention. It is believed that the Chinese Embassy here may approach us to the same purpose. If



so, it is considered that we should reply as the British replied, to the effect that Moutet is en route to Indochina to review the situation, that the French line in Indochina will probably be clarified as French internal politics emerge from their present confusion, and that an offer of mediation at this time would probably be resented and rejected by the French.

J[OHN] C[ARTER] V[INCENT]

851G.00/12-2346 : Telegram

*The Vice Consul at Hanoi (O'Sullivan) to the Secretary of State*

SECRET

HANOI, December 23, 1946—9 p. m.  
[Received December 24—1:35 p. m.]

154. Reasons why Vietnamese attacked French December 19 unclear.

However, theories here are: (1) Result orders from Moscow (a) possibly simply to upset Southeast Asia, (b) possibly to give French Communist Party, should it take power when present Blum Government goes, opportunity to make quick favorable settlement with Vietnamese thus enabling French Communists to pose as "protectors of French interests" thereby increasing CP strength in France; (2) Result settlement Javanese obtained from Holland by fighting while negotiating as Vietnamese apparently lost all hope satisfactory settlement when return d'Argenlieu announced.

Repeat to Paris.

O'SULLIVAN

851G.00/12-2446 : Telegram

*The Secretary of State to the Ambassador in France (Caffery)*<sup>87</sup>

CONFIDENTIAL

WASHINGTON, December 24, 1946—4 p. m.

6586. The Under Secretary asked Bonnet to call yesterday afternoon to discuss the situation in Indochina. Mr. Acheson said that we are deeply concerned by the outbreak of hostilities in Tonkin and Annam and are fully aware of the unhappy situation in which the French find themselves. We had anticipated such a situation developing in November and events have confirmed our fears. While we have no wish to offer to mediate under present conditions we do want the French Govt to know that we are ready and willing to do anything which it might consider helpful in the circumstances. We have been gratified to learn of Moutet's mission and have confidence in his moderation and broad viewpoint. We believe however that the situa-

<sup>87</sup> Repeated to Saigon in telegram 318, December 26, 6 p. m.



tion is highly inflammatory and if present unsettled conditions continue, there is a possibility that other powers might attempt to bring the matter up before the Security Council. If this happens, as in the case of Indonesia, the question will arise whether the matter is one of purely French internal concern or a situation likely to disturb the peace. Other powers might likewise attempt some form of intervention as has been suggested in the Chinese press. We would be opposed to such steps, but from every point of view it seems important that the question be settled as soon as possible. Mr. Acheson added that he wondered whether the French would attempt to reconquer the country through military force which was a step that the British had found unwise to attempt in Burma.

Bonnet said that he had little direct info with regard to the present situation in Indochina but referred to Leon Blum's speech in the Assembly yesterday morning. He summarized important points of the speech which he said clearly indicated that Blum's policy is to settle the question as far as possible by conciliatory means and that this was the purpose of Moutet's visit. He said that Blum had reiterated that French policy is to assure the independence (within the French empire) of Viet Nam and complete self govt. It was unfortunate that it had been impossible up to the present to implement the far reaching concessions embodied in the French agreement with Viet Nam.

He said that personally he would be surprised if the Chinese brought the question up before the Security Council at this time for he felt that the Nanking Govt was sympathetic to the French position in Indochina. He concluded by saying that he would inform his Govt of our friendly interest and of our deep concern over the situation and let us know the reaction from Paris.

BYRNES

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851G.00/12-2246 : Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

CONFIDENTIAL

SAIGON, December 22 [24?], 1946—4 p. m.

[Received December 27, 1946—4:36 p. m.]

495. Unprovoked premeditated attack by Vietnam, with atrocities against innocent civilians, at time when French Govt sending representative discuss association accords and plan future French-Vietnam relations, leaves French free hand to deal with situation, especially as Vietnam Govt has fled and effectively no such govt. So said High Commissioner in conversation yesterday prior arrival Moutet. He stated French do not plan exploit situation and there is, first, no intention reconquer FIC and, second, no intention return former colonial system—enough troops will be sent restore order and assure opportunity all persons carry on peaceful pursuits. He admitted

many mistakes made in past due those persons reluctant give up pre-war life and policy in FIC and said mistakes will be made in future but France holds intention aid honest and meritorious aspirations native peoples (but commented difficult to treat with persons whose aim is destruction as recent events have shown to be aim of Ho and his govt) and France desired chiefly promote their economic interests. French prepared deal with any govt in which can place confidence.

He stressed federation plan is only possible solution, giving peoples of FIC measure of autonomy of which they are now capable, but not excluding possibility of larger independence when peoples are capable thereof. He felt majority natives will welcome removal Ho regime which established and maintained by terroristic methods and in no sense democratic—also felt that with fear reprisals removed, Annam would prefer be state, apart from Tonkin confederation, thus being composed of same five states as formed FIC in past. Expressed satisfaction he now had backing French Govt (with certain notable exceptions) and declared his policy vindicated especially his distrust Ho and his associates but made one remark that indicated he might not be here long. He mentioned return General Leclerc, expected here shortly, but I have reason believe High Commissioner not particularly pleased. Factually, situation in north improving and he hoped all under control within 15 days—expressed grave concern fate of French at Vinh from which no news since French surrendered.

In comment [by me?] French have one more chance impress natives their desire deal fairly with them and to give them advantages both economic and social withheld in past, and if French fail to take advantage this opportunity and institute repressive high handed measures (policy of force) of past no settlement of situation can be expected foreseeable future and period guerilla warfare will follow. [Apparent garble] however presupposes willingness Vietnam act with reasonableness and doubt whether French will treat with Ho in view of “treacherous” attack on civilians as well as military. Perhaps mediation third party only solution.

Please repeat Paris, London.

REED

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851G.00/12-2446 : Telegram

*The Acting Secretary of State to the Chargé in the United Kingdom  
(Gallman)*

SECRET

WASHINGTON, December 27, 1946—7 p. m.

8317. Urtels 10216, Dec 21 and 10245, Dec 24.<sup>88</sup> No Chinese proposal received here for intervention Indochina. Event such approach,

<sup>88</sup> See footnote 84, p. 75.

Dept reaction will be negative with reply based same considerations emphasized by Brit FonOff in reply such suggestion by Chinese, namely (1) possibility results from Moutet trip, (2) likely clarification French line Indochina as French internal politics emerge from confusion, and (3) certainty offer of mediation would be resentfully rejected by French.<sup>89</sup>

Sent to London as 8317. Repeated to Paris as 6608; Saigon as 319; and Nanking as 1244.

ACHESON

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851G.00/12-2846: Telegram

*The Ambassador in China (Stuart) to the Secretary of State*

SECRET

NANKING, December 28, 1946—10 a. m.

[Received 12:02 p. m.]

2186. Embassy found occasion to inquire informally regarding subject matter London's 10255 [10245?], December 24, 1 p. m.<sup>90</sup> which apparently arose out of pressure of FonOff from local Chinese organizations and individuals of the Hanoi-Haiphong area to take action to ameliorate conditions. FonOff maintained it whittled down original proposal to mere instructions to Embassies in Washington and London to suggest that British, American and Chinese Consuls at Hanoi should make joint and simultaneous representations with a view to moderating the extremism afoot and that it entertained no idea of intervention *per se*. However, it could well be that the initial instructions were worded strongly, and FonOff is now diluting them. Fonoff also went out of its way to point out that Vietnam regime is definitely Communist, but that intervention at this time would presuppose support or opposition to a Communist regime but that Chinese Govt had no intention of transporting internal Chinese difficulties to Indo-China.

Sent Dept 2186, December 28, 10 a. m. Dept please repeat to London.

STUART

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<sup>89</sup> Telegram 10279, December 30, 1946, 1 p. m., from London, reported that the British Foreign Office was gratified at the Department's similar position and stated that the Chinese Embassy was being informed of British rejection of the proposed intervention in Indochina (851G.00/12-3046).

<sup>90</sup> See footnote 84, p. 75.



851G.00/12-2846 : Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

RESTRICTED

SAIGON, December 28, 1946—noon.

[Received 4:10 p. m.]

498. At official dinner Moutet, replying High Commissioner, Siam [said?], "after the incidents which have happened one cannot speak of free accord," "we have noted with regret that our desirés for pacification were not shared," "France cannot admit that its hand be forced and that it be obliged to accept acts or contracts contrary to the rights of others," "the masses will understand that in defending the interests of France, we are defending those of the Indo-Chinese population," and proposed a toast to "those who forced by circumstances utilize a force which they had thought to reserve for peaceful ends". Moutet extremely outspoken regarding Cochinchina that it be master of its own fate and gave definite impression of cordiality towards present govt.

Moutet definitely shows strong attitude towards preservation French interests and approval French reaction to Vietnam attacks.

Dept please repeat to Paris.

REED

851G.00/12-2846 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

CONFIDENTIAL

PARIS, December 28, 1946—2 p. m.

[Received December 28—9:40 a. m.]

6304. In conversation with Baudet yesterday, he said he did not anticipate any decision on policy in Indochina until report had been received from Moutet. Referring to Mr. Acheson's conversation with Ambassador Bonnet (Deptel 6586, December 24), Baudet minimized danger of intervention on part of Chinese. He professed to have no information other than that which has appeared in press re refugee Nanking Annamite Government formed by Nguyen Tuong Tam but still considered it of little importance since Tuong and his party have very little popular following in Indochina.

Baudet felt that emphasis placed by Maurice Schumann and Admiral D'Argenlieu on Vietnam membership in Indochinese Federation (mytel 6183, December 19<sup>91</sup>) was misleading since it had already been generally agreed that Indochinese Federation should be limited largely to economic and financial matters and would have only limited political functions. Two fundamental issues separating French Government and Vietnam are, according to Baudet, (1) Vietnam demand

<sup>91</sup> Not printed but see circular telegram of December 20, 10 a. m., p. 74.

that their independence (or autonomy as French prefer to express it) within French union should include right to have their own diplomatic representation abroad; and (2) question of inclusion of Cochin China within Vietnam. As has been reported before, Baudet feels some compromise can be worked out on latter point based on theoretical inclusion of Cochin China within Vietnam state but with autonomous [status or?] special guarantees for French interests.

Sent to Washington as 6304, repeated London as 842.

CAFFERY

851G.00/12-3046 : Telegram

*The Consul at Saigon (Reed) to the Secretary of State*

CONFIDENTIAL

SAIGON, December 30, 1946—4 p. m.

[Received 10:21 p. m.]

499. Leclerc arrived Saturday <sup>92</sup> p. m. with many his original staff [and] is proceeding Hanoi Tuesday. After conference with Leclerc, Moutet left for Cambodia, Laos and Argenlieu for Hanoi Sunday a. m.

French making progress in north and west and proposal from Vietnam military leader [to] withdraw his troops from city is being favorably considered. Big question now with whom Moutet can deal, pro-Vietnam elements insisting still can treat with Cobue, most observers think this unlikely. Solution as I have previously reported may be creation new Vietnam Government, say under Bao Dai <sup>93</sup> and/or Tam (now in Nanking) with which French can treat without losing face and which will have influence with native population. Many natives definitely tired this seemingly endless insecurity and want chance resume peaceful life. With diplomatic handling, solution can be obtained but extremist element will continue make trouble possibly long time to come. Not impossible Vietnam Government thus created will claim only Tonkin, Annam as overheard remark Moutet to Ty (Vice President Cochin China Government) indicated French backing independent Cochin China. Unquestionably attack and atrocities (from two to five hundred French civilians killed) have roused French feeling—even Moutet surprisingly outspoken—and until all other means exhausted French will be disinclined accept mediation.

Department please repeat Paris, London, Nanking.

REED

<sup>92</sup> December 28.

<sup>93</sup> Emperor of Annam who abdicated in August 1945.

851G.00/12-3146

*Memorandum of Conversation, by Mr. Charlton Ogburn, Jr., of the  
Division of Southeast Asian Affairs*<sup>94</sup>

[WASHINGTON,] December 31, 1946.

Participants: Mr. Tswen-ling Tsui, First Secretary of Chinese  
Embassy  
Mr. Kenneth P. Landon  
Mr. Charlton Ogburn, Jr.

Mr. Tsui called by appointment to discuss the situation in Indochina. He said that he considered that the United States, United Kingdom and China might well offer to extend their good offices in the French-Vietnamese dispute, and wondered what our reaction would be. We replied that we believed such an offer would be resented and emphatically declined by the French, and that consideration of "good offices" at this time was perhaps premature in view of Moutet's mission to Indochina and of the interim nature of the present French government.

We inquired what Mr. Tsui's thoughts might be on the possible Communist connections of the present Vietnam government. Mr. Tsui, replying in terms of direct connections, said that he did not believe any communications could exist between the USSR and Vietnam, and that while President Ho might receive moral support from the Russian Communists he did not believe any material assistance could be extended even through the agency of the Chinese Communists.

Mr. Tsui said that of course what the Chinese most feared was the emergence of a Communist state in Indochina and that their desire to see peace restored stemmed chiefly from their realization that chronically unsettled conditions might prove a breeding ground for Communism. He reverted several times to the desirability of the joint extension of our good offices. We made the further point that such an offer might add to the difficulties of the present French Government and could be seized upon by the French Communists as a means of embarrassing the Government. We noted that the French Communist press is now harping upon the danger of "foreign intervention" in Indochina. Mr. Tsui, however, appeared to feel that the offer might be put in such terms as to make it difficult for the French to decline it, although he stated that he respected the consideration of "face" which must weigh heavily with the French at present.

At the end of the discussion Mr. Tsui suggested that the offer of our good offices need not be made in a formal approach to Paris and need not even be made jointly but could consist of the American, British and Chinese Consuls in Hanoi independently suggesting to the local

<sup>94</sup> Initialed by the Assistant Chief of the Division (Landon).



French authorities that they would be glad to extend their services in the cause of peace. Observing that both his and our Consul in Hanoi had probably already been discussing the situation together, we replied that we would give further consideration to this possibility.

Mr. Tsui asked us to inform him of any reports we received of important developments in Indochina and promised that he would keep us similarly informed.

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851G.00/12-2846 : Telegram

*The Secretary of State to the Vice Consul at Hanoi (O'Sullivan)*<sup>95</sup>

SECRET

WASHINGTON, December 31, 1946—7 p. m.

25. No objection your acting humanitarian grounds as described urtel 160 Dec 28<sup>96</sup> or, with French agreeing, in any other strictly local, military, non-political situation in order save lives. You should not, however, without express Dept authorization become involved any situation any way which could be interpreted as mediation basic political issues between opposing parties. For your secret info, Acting Secy in Dec 23 conversation with French Amb here expressed our concern outbreak hostilities and our readiness do anything which might be considered helpful but stated we have no wish offer mediate present conditions. Further, on receipt info that Chinese had approached Brit FonOff and AmEmb Paris with proposal joint mediation, Dept decision was adverse this juncture in view certainty resentful rejection by French. Brit reaction also negative. Chinese desire extend influence Indochina seems clear and French Communists ready make instant capital any appearance outside intervention Indochina as "foreign imperialism".

BYRNES

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<sup>95</sup> The Department also sent information telegrams, giving the gist of this telegram to Paris, London, Nanking, and Saigon.

<sup>96</sup> In this telegram Vice Consul O'Sullivan reported that he had informed the Chinese Consul General at Hanoi that he would be willing to aid in any capacity to which French authorities gave approval and requested the Department's instructions on this point. The Chinese had suggested that the Vietnamese might wish unofficial presence of British and American consular officers in any meeting with the French. (851G.00/12-2846)

## JAPAN

### OCCUPATION AND CONTROL OF JAPAN<sup>1</sup>

740.00119 FEAC/1-146 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

RESTRICTED

Moscow, January 1, 1946—11 a. m.

[Received 11:25 a. m.]

3. Embassy has today received third person note from Foreign Office dated December 31 stating that Soviet of People's Commissars of USSR has appointed Gromyko<sup>2</sup> Soviet representative on Far Eastern Commission and N. V. Novikov<sup>3</sup> as his deputy. K. N. Derevyanko,<sup>4</sup> note continues, has been similarly appointed member of the Allied Council for Japan, with Y. A. Malik<sup>5</sup> as his political advisor and L. A. Razin as his economic advisor. I am requested to bring this to attention of my Government.

Note adds in conclusion that Govts of UK and China are being similarly informed.

KENNAN

740.00119 FEAC/1-446 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

RESTRICTED

PARIS, January 4, 1946—8 p. m.

URGENT, NIACT

[Received 9:18 p. m.]

63. Following is a translation of the French reply to our invitation relating to the Far Eastern Commission (my 45, January 4<sup>6</sup>).

"By your note No. 1030 dated December 29, [19]45, your Excellency was good enough to communicate to me the text of the provisions relating to the creation of a Far Eastern Commission, drawn up at

<sup>1</sup> Continued from *Foreign Relations*, 1945, vol. vi, pp. 621-1015.

<sup>2</sup> Andrey Andreyevich Gromyko, Soviet Ambassador in the United States.

<sup>3</sup> Nikolay Vasilyevich Novikov, Soviet Counselor of Embassy in the United States.

<sup>4</sup> Lt. Gen. Kuzma Nikolayevich Derevyanko, Soviet representative to the Supreme Commander of the Allied Powers in Japan (General of the Army Douglas MacArthur).

<sup>5</sup> Yakov Alexandrovich Malik, former Soviet Ambassador in Japan.

<sup>6</sup> Not printed; for invitation, see telegram 131, December 28, 1945, to Canberra, *Foreign Relations*, 1945, vol. vi, p. 894.

the recent Tripartite Conference of Moscow, and, in the name of the Governments of the United States, of the USSR, of the United Kingdom of Great Britain, and of China, to invite the French Government to participate in the Far Eastern Commission on the basis of these provisions.

I have the honor to inform you that the Government of the Republic has decided to accept, under the proposed conditions, the invitation which has been addressed to it to [be] represented in the new Far Eastern Commission.

This decision is based essentially on the interpretation which is given of the provisions contained in Section A, Part II, of the text, relative to the functions of the Far Eastern Commission. According to this text:

'The functions of the Commission shall be:

1. To formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the terms of surrender may be accomplished;

2. To review on the request of any member any directive issued to the Supreme Commander involving policy decisions within the jurisdiction of the Commission.

3. To consider such other matters as may be assigned to it by agreement among the participating governments reached in accordance with the voting procedure provided for in article V 2 hereunder.'

It appears that the 'other matters' referred to in paragraph 3 above necessarily come within the scope of the provisions of paragraphs 1 and 2, relative to the control of Japan, which precede paragraph 3, and that, consequently, these 'other matters' cannot be of such a nature as to bring French interests directly into question. It is for this reason that the French Government believes it can accept, for its representative on the Commission, a status different from that of the United States, of the USSR, of the United Kingdom and of China, powers which are participating directly in the execution of the terms of Japan's capitulation.

In the event, however, that the provisions of paragraph 3 in question should be invoked, in order to extend the jurisdiction of the Commission to any matter which might bring directly into question French interest in the Far East, the French Government, invoking its dual capacity as a permanent member of the Security Council of the United Nations Organization and as a power in the Pacific, would consider itself justified in claiming, in so far as the voting procedure provided for in article V, paragraph 2, is concerned, a status identical with that enjoyed by the other powers in the Pacific which are permanent members of the Security Council of the United Nations Organization.

I would be grateful if Your Excellency would be good enough to ensure that this reply is communicated to the Governments of the United States, of the USSR, of the United Kingdom of Great Britain, and of China.

I beg you to accept, Mr. Ambassador, the assurances of my very high consideration." (Signed F. Gay)



As I have pointed out before when the French mention "other matters referred to in paragraph 3" they have Indochina in mind.<sup>7</sup>

CAFFERY

894.00/1-446

*The Acting Political Adviser in Japan (Acheson) to President Truman*<sup>8</sup>

CONFIDENTIAL

Tokyo, January 4, 1946.

DEAR MR. PRESIDENT: Pursuant to your kind letter of November 20, 1945,<sup>9</sup> I submit the following additional report:

With the issuance today of a directive for the "denazification" of the bureaucracy,<sup>10</sup> the basic preparatory actions for the democratization of Japan will have been taken. The arrest of major war criminals has been practically completed. The mandates for freedom of speech, press and assembly, abolition of thought control, universal suffrage, dissolution of the Zaibatsu,<sup>11</sup> agrarian reform, collective bargaining by labor, disestablishment of Shinto, demilitarization of education—all are now on the record. These actions are not in themselves complete: the changes sought are too great to be accomplished by fiat. Among the most important of all, the Constitution and its core—the Emperor institution—have not yet been touched. But the scaffolding has been prepared; it remains to be seen what kind of structure is to be erected on it through revision of the Constitution and the efforts of the Japanese themselves.

Those efforts will require our steady support and encouragement for a considerable time to come. Japan today, as is natural with its totalitarian background and after its recent demoralizing shock of defeat,

<sup>7</sup> In telegram 80, January 7, 1946, 8 p. m., to Paris, the Department authorized the Ambassador to reply to the French note and to say that the American Government understood "other matters" to apply to matters relating to control of Japan and that matters affecting southeast Asia, including Indochina, which were not related to the control of Japan, would not be introduced into the Commission's deliberations. (740.00119 FEAC/1-446).

<sup>8</sup> Copy transmitted to the Under Secretary of State (Acheson) in covering letter of the same date; notation on January 15: "President gave D A original of this also". President Truman acknowledged the letter on January 30.

<sup>9</sup> *Foreign Relations*, 1945, vol. vi, p. 825, footnote 5.

<sup>10</sup> For text of directive, Scapin-550, January 4, on "Removal and Exclusion of Undesirable Personnel From Public Office", see SCAP, Report of Government Section: *Political Reorientation of Japan, September 1945 to September 1948* (Washington [1949?]), p. 482.

<sup>11</sup> The financial oligarchy made up of the principal families of Mitsui, Mitsubishi, Sumitomo, and Yasuda.

is faced with a bankruptcy of capable, experienced, modern and progressive political leadership.

The recently concluded Diet session proved the inability of most of the old political leaders to rise above their compromising (if not more tainted) pasts.

The present Shidehara <sup>12</sup> Cabinet, by its old-fashioned conservatism, lack of imaginative initiative, and general incapacity, has lost what little public confidence it once enjoyed.

A result of these failings is that government has had to become increasingly a matter of directive from Headquarters rather than acts initiated by the Cabinet or Diet. These directives, paradoxically, are welcomed both by Japan's impotent leaders and by the majority of the people—as they become more dissatisfied with those discredited leaders. But though this may make us the most popular occupying force in history, it is not a satisfactory long-run situation.

The speed and completeness with which our final objectives can be realized will depend on the healthy development by the Japanese people of a democratic political consciousness. Japan's first post-war political party was inaugurated only two months ago. Since then four principal groups—Progressives, Liberals, Social Democrats and Communists—have organized themselves and attained national importance. The "Progressives" are representatives of the past and wish no more change than necessary. The "Liberals" are by our standards conservative: their chief claim to liberalism is in impractical advocacy of a *laissez-faire* economy. The Social Democrats may be compared to the British Labor Party. They have the backing of many intellectuals, are winning support among the middle class and organized labor, and appear at present to be the most promising group. The Communists are for complete abolition of the Emperor institution, creation of a "republic", nationalization of land, and other traditional Communist objectives—except that they espouse "democracy", private property, avoidance of class struggle.

Other minor political groups have not yet shown importance. A large number of small Right Wing groups may become important if our control is greatly weakened or we lose our present goodwill and prestige, if the already severe economic hardship becomes desperation, or if Communist expansion breeds violent political strife.

In this situation, there is obviously considerable encouragement for the Communists. Japan is groping for a new ideology to replace the shattered one which was so carefully and deliberately constructed during the years of military-feudal control. The old has been discredited and the new is attractive. Liberalism is vague and difficult to define.

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<sup>12</sup> Baron Kijuro Shidehara, Japanese Prime Minister since October 9, 1945.



Communism is positive and concrete. It will be favored by the present serious economic insecurity. It will take at least moral encouragement from Soviet participation in control of Japan. But the popular hatred and fear of Russia and of Communism will also be checks. The Communists as yet are too theoretical and too drastic for the political level of the people—particularly in their stand on the Emperor. The great majority of the Japanese with whom I have talked do not expect them to become a dominant group in Japan. But they will grow stronger.

We must expect for some time, I believe, a situation in Japan which may be compared to that in post-war Italy. It is only natural that in the confusion, chaos and demoralization, each group will try to salvage its own particular interests. However, the activities of the major parties are conducted against a background of at least four influential and favorable circumstances: (1) acceptance of the Potsdam Declaration<sup>13</sup>—by the Emperor—has committed the nation to some kind of democracy; (2) the old leaders who took the country into a war which ruined it are thoroughly discredited and hated; (3) even the conservative's desire, as a whole, to make a good showing toward fulfilling the terms they have accepted, if only so that they may the sooner be able to rejoin the family of "respectable" nations; and (4) there has been encouraging liberalization of the great and influential Japanese newspapers so that they have become sympathetic to, if not outright spokesmen for, groups such as the Social Democrats who sincerely wish to go further than merely "satisfying" occupational demands.

On the whole, we can be satisfied with the political development which has taken place during this brief period. It is only a start—full development is still far away.

One fundamental factor that we must not lose sight of in dealing with Japan is the inescapable relationship of politics and economics. In the dire straits of the Japanese people today, political development depends upon solution of the problems of food, shelter and clothing. Today political education and experience in the practice of democracy are impeded by the preoccupation of the people with their economic distress. Left unsolved, these problems may encourage extremism of types we do not desire.

The courses for the future which are open to the United States (discounting drastic modification or restraint of our policy by the British, Soviet and Chinese) depend to a large extent upon how much further effort we are prepared to put forth. If we are prepared to maintain for a period of years a large occupational force, if we are

<sup>13</sup> For text of the Potsdam Declaration or Proclamation of July 26, 1945, see *Foreign Relations, The Conference of Berlin (The Potsdam Conference)*, 1945, vol. II, p. 1474.



prepared to undertake that the Japanese shall have sufficient food, clothing and shelter and be enabled to put their economy on its feet, if we are prepared—should that be necessary—to keep effective forces in Japan to take care of any contingency that might arise, then we can adopt a strongly aggressive political policy, try the Emperor as a war criminal and encourage the complete abolition of the Emperor system. If we are not so prepared, we may do what we can and continue to proceed cautiously to give the Japanese the framework within which they may work out their own destiny—and then withdraw in due course and let them try it alone, whatever the result may be.

Decision hinges on the choice between these two, admittedly oversimplified alternatives. The first is to my mind the ideal. I believe (and some of our Allies may insist) that the Emperor is a war criminal: even some Japanese argue that if he had sufficient power to stop the war, he had the authority to prevent it. And I have not altered my opinion that the Emperor system must disappear if Japan is ever to be really democratic.

But a number of circumstances seem to make the second, more cautious policy the best for us to follow at this time. The speedy demobilization of our military forces is already creating handicaps. In this situation, in which we must continue to utilize the Japanese Government for the administration of the country and the carrying out of reforms, there is no question that the Emperor is most useful. He is obeyed by officials and the people at large. He manifests sincerity in wishing to aid in the accomplishment of our general objectives and is seemingly more anxious to be democratic than some of the people around him. His New Year's Rescript<sup>14</sup> was encouraging.

Adoption of a "cautious" policy should not, however, mean passivity. I believe it important that we work for a satisfactory, liberal revision of the Constitution in the near future. Under the present Government it does not seem likely that there will be a purely voluntary revision which will provide a substantial and enduring framework of a democratic government. This lack of optimism is not universally shared by Americans here, including some of our Japan experts. But the Government plan, with which the Progressive and Liberal parties are in agreement, is to leave intact the first four Articles of the present Constitution which form the basis for the Japanese philosophy of the State: reign and government "by a line of Emperors unbroken through ages eternal"; the sacredness and inviolability of the Emperor who is the head of the Empire and "combines in himself the rights of sovereignty". These are the foundation stones and the pillars of the "divine" Japanese State with which we have been at war. Excluding

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<sup>14</sup> For text, see *Political Reorientation of Japan*, p. 470.

the Communists, only the Social Democrats, who are still a minority party, are willing to consider the Emperor and sovereignty in something approximating our terms.

Our adoption of this policy would, on the other hand, preclude—certainly for the reasonably near future—any trial of the Emperor as a war criminal. There is no doubt that at present the overwhelming majority of the Japanese people wish to retain the Emperor system in some form. In its simplest terms, the Japanese regard the relationship as that of a father to the family. It is a sentimental, deeply-rooted emotional feeling. Trial of the Emperor would cause such a wrench that most people who know Japan believe that it would be impossible to find suitable men to maintain the government.

We have been reliably informed that the Emperor is considering abdication. We can assume that an important element in any such planning is the fear, stimulated by foreign criticism, that he may be named a war criminal. Such abdication would not necessarily produce the chaos which arrest and trial might bring—a regency is provided for by the Constitution. It is to be hoped, of course, that he will not abdicate before the Constitution is appropriately revised in order that revision may be effected according to legal provisions therefor contained in the Constitution as it now stands. And abdication after appropriate revision would not likely cause as serious repercussions as otherwise might be the case. Of these, one of the most practical to us would be the weakening of the Throne through the loss of the leader to whom the Japanese are accustomed and to whom, strangely enough, most of the common people are grateful for bringing them peace. If we decide to continue to use the Emperor, he should be given some sort of immunity from arrest and at the same time told that we regard his continuing on the Throne as necessary to carrying out the surrender conditions.<sup>15</sup>

The agreements reached at the Moscow meeting may in some ways increase Japanese willingness to cooperate with us and accede to our wishes. We have made a good impression both as a nation and on the level of the individual American soldier. If the Japanese really like any foreigners, they like us. Toward the Russians there is a deep-rooted fear and hatred. From the Japanese point of view, the Soviets turned on them at the last moment to share the fruits of victory. There is expectation (or hope) in many Japanese quarters that the United States and Russia will eventually fight each other. They see in this a possibility of their redemption by fighting on our side: some ac-

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<sup>15</sup> Mr. Atcheson covered the same ground on the Emperor in a memorandum of January 7, 1946, which he submitted to General of the Army Douglas MacArthur, Supreme Commander, Allied Powers, Japan, and his Chief of Staff, Maj. Gen. Richard J. Marshall, U.S. Army. A copy was transmitted to the Department in despatch 180, January 7, 1946, not printed. (894.001 Hirschito/1-746)



tually believe that we will be forced to develop and re-arm Japan for this purpose. However deluded this idea may be, it is widespread and adds to the general gratitude for our actions such as ordering of free speech, and contributes to a rather common present attitude of the Japanese which regards us as both their mentors and possible saviors. As a people the Japanese have an ingrained feudalistic tendency to attach themselves to the powerful. During the next decade it seems probable that we shall be the Power of which they will seek to be a satellite. It will likely be the age of Japan's imitation of things American—not only of American machines but also American ideas.

There is some pessimism here in American quarters at the decision for Allied participation in control of Japan. This seems to be shown in hesitancy to push forward with our own program as already planned. I do not share this pessimism and I feel that any delay would be a mistake. United States policy is well on its way to implementation. The system established for Allied participation is workable, and with the will it can be made to work. I believe that we should go ahead as rapidly as the situation will permit and get as much as possible of our policy laid down and operating. There are still unfilled gaps. An important one, for example, is our information program which is still inadequate. It should be organized and functioning before any foreign propaganda machines are set up.

I have not meant to seem unduly optimistic: our task here is indubitably great and our difficulties many. But I am confident that whatever political vicissitudes the Japanese must undergo, democratic ideas will grow among the people, if only slowly, and will affect their political life. A great part of Asia is in political ferment, as suppressed and underprivileged peoples seek to gain for themselves some measure of the individual freedom and dignity which Americans have struggled for and have achieved. The Japanese are not yet a part of this ferment but it is more than possible that, the way having been opened by us, they will in due course feel its impact and become a part of it. Many of them, especially urban populations, already feel that they are a liberated people. After three and a half months here, I still feel that United States policies and their implementation in general have been far more successful than we could have expected and that there is a fair chance that out of it all, and irrespective of whether we may be able to do all that we want to do, this country will eventually develop into a reasonably decent member of the family of nations.

Respectfully,

GEORGE ATCHESON, JR.



894.628/1-546 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

CONFIDENTIAL

Moscow, January 5, 1946—3 p. m.

[Received January 5—11 a. m.]

43. ReDeptel 2545, December 17.<sup>16</sup> Lozovsky<sup>17</sup> has addressed reply dated January 3 to Ambassador's representations on Japanese fishermen and fish stocks, writing as follows:

"Acknowledging the receipt of your letter dated December 24 addressed to Mr. Vyshinski<sup>18</sup> in regard to the return to Japan of the property of Japanese fishing companies and Japanese fishermen remaining on territory occupied by the Red Army, I state the following:

1. A considerable portion of the property and fish stocks of the Japanese fishing companies, which you mention in your letter, was destroyed during the period of military operations against Japan or proved to be spoiled. The remaining portion of the property and fish stocks was taken by troops of the Red Army as trophies, and used in part for the needs of the Red Army, and also for the supply and satisfaction of the needs of the Japanese population remaining on these territories.

2. As regards the return of the Japanese fishermen from these territories, the question has been referred at the present time for consideration to the competent Soviet authorities, of whose future decision I shall not fail to inform you."

Department please repeat to Tokyo for General MacArthur.

KENNAN

740.00119 Control (Japan)/1-546

*The Acting Political Adviser in Japan (Atcheson) to the Secretary of State*

No. 164

Tokyo, January 5, 1945 [1946].

[Received January 15.]

SIR: I have the honor to transmit copies of a directive to the Japanese Government issued by the Supreme Commander for the Allied Powers on December 31, 1945,<sup>19</sup> ordering the suspension of courses in Japanese schools on morals (*shushin*), Japanese history and geography.

*Summary of Directive.* The Japanese Government is ordered to discontinue courses in the schools which were used "to inculcate militaristic and ultra-nationalistic ideologies". Old texts used in these

<sup>16</sup> *Foreign Relations*, 1945, vol. VI, p. 884.

<sup>17</sup> Solomon Abramovich Lozovsky, Soviet Assistant People's Commissar for Foreign Affairs.

<sup>18</sup> Andrey Yanuaryevich Vyshinsky, Soviet Assistant People's Commissar for Foreign Affairs.

<sup>19</sup> Not printed.

courses are to be collected and new textbooks prepared. Temporary substitute programs and instructions to teachers are authorized, subject to the approval of SCAP, until such time as resumption of the suspended courses with new approved texts and teachers' manuals. Officials, teachers and employees, in both public and private institutions, are made responsible for "compliance with the spirit as well as the letter of the terms of the directive". Appendices give specific and detailed instructions for the collection of texts, the submission of substitute programs, and the submission of the final revised program. *End of Summary.*

Publicity issued by General Headquarters, SCAP, indicated that the old textbooks used in the Japanese schools had been found so filled with objectionable material that censoring was not feasible and the only practical course was full suspension of the courses and withdrawal of textbooks until new ones could be prepared.

Respectfully yours,

GEORGE ATCHESON, JR.

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740.00119 Control (Japan)/1-546

*The Acting Political Adviser in Japan (Atcheson) to the  
Secretary of State*

No. 166

TOKYO, January 5, 1946.

[Received January 15.]

SIR: I have the honor to transmit copies in quadruplicate of two directives, both dated January 4, 1946, from the Supreme Commander to the Japanese Government on the following subjects:

1. Abolition of Certain Political Parties, Associations, Societies and other Organizations.<sup>20</sup>
2. Removal and Exclusion of Undesirable Personnel from Public Office.<sup>21</sup>

The directives are too long to permit brief summarization. It is believed, however, that the titles are self-explanatory and that the Department will be familiar, through the press, with their general contents.

There is also enclosed in duplicate a press release issued by General Headquarters, SCAP,<sup>22</sup> simultaneously with the release of the directives, which provides a certain amount of background comment and explain the motives behind their preparation.

This Mission was consulted in the preparation of these important directives, generally spoken of as the "de-nazification program", and concurred in their final form.

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<sup>20</sup> Scapin-548, January 4, *Political Reorientation of Japan*, p. 479.

<sup>21</sup> Scapin-550, January 4, *ibid.*, p. 482.

<sup>22</sup> *Ibid.*, p. 489.

Political repercussions in Japan following upon the enforcement of these directives will be reported by telegram.

Respectfully yours,

GEORGE ATCHESON, JR.

740.00119 FEAC/1-746: Circular telegram

*The Secretary of State to Certain Diplomatic Representatives Abroad*<sup>23</sup>

WASHINGTON, January 7, 1946.

View this Govt that Far Eastern Commission succeeded Far Eastern Advisory Commission Dec 27, date Moscow communiqué,<sup>24</sup> and therefore no need to implement succession by formal dissolution, inauguration or other formalities.

Convey above informally FonOff, explaining this Govt's position based solely on desire to free Commission from confusing and burdensome procedural detail.

BYRNES

740.00119 P.W./3-1346: Telegram

*The Chief of Staff (Eisenhower) to General of the Army Douglas MacArthur, Tokyo*

CONFIDENTIAL

WASHINGTON, 7 January 1946—6:51 p. m.

War 91800. 1. Would appreciate your comments and suggestions regarding solution of inter-departmental problem of United States Government currently of concern.<sup>25</sup>

2. Although the JCS, War Department and United States Army are charged in the administration of occupied territory with administering applicable governmental or inter-governmental policy, the development and formulation of government policy in the framework of the United States Government rests primarily with the civilian agencies of the government, in particular the State Department. The view of the civilian departments of the government has been that in order to properly formulate policy with respect to the government of

<sup>23</sup> At Canberra, Chungking, London, Moscow, New Delhi, Ottawa, Paris, The Hague, and Wellington.

<sup>24</sup> For text of communiqué issued by the Foreign Ministers on December 27, 1945, see *Foreign Relations*, 1945, vol. II, p. 815, or Department of State *Bulletin*, December 30, 1945, p. 1027.

<sup>25</sup> On March 8 the Joint Chiefs of Staff approved the procedures herein set forth regarding official channels of communication between the U.S. Government or its agencies and SCAP or his staff and so advised General MacArthur (memorandum SWN—4013, March 13, 1946, by the Acting Chairman of the State-War-Navy Coordinating Committee to the Secretary of State) (740.00119 PW/3-1346).



occupied countries they should be free to nominate representatives to act in an advisory capacity to the military authorities in occupied countries with the right to have free and direct communication for the transmission of information and instructions between such representatives and the department nominating them. This position has been held especially by the State Department in the over-all field of foreign policy and the Treasury Department with respect to financial problems.

3. The problem is illustrated by the view which has been held in the State Department that a State Department representative designated as your political adviser should have his own staff and should act not only as your political adviser but as a representative of the State Department with right of direct communication to the State Department with respect to problems arising within your responsibility as SCAP. Treasury Department desire a similar arrangement with Treasury representatives who may be provided to you as advisers or otherwise attached to your staff. Position of these departments is based on their view that within the responsibility of the United States Government for the administration of occupied territory, the Secretaries of State and Treasury have definite responsibilities for policy consideration and determination which can be discharged only if they have the right of communication with and to some extent control over their personnel who may be serving in occupied countries. This view of the civilian departments is also reflected in the many requests which are received for the dispatch of specialized missions to investigate and report to the appropriate civilian departments on special matters of concern in the government of occupied areas, such as textile production and the Zaibatsu problem.

4. Efforts to recruit personnel for your staff have been seriously hampered by this position of civilian agencies of the government. By far the most productive field for recruitment of working staff is in the departments of the government most concerned with the particular problem to be considered. This is true not only because of the specialized type of personnel available from these sources but also because the fact of the termination of the war inevitably makes general civilian recruitment for service overseas increasingly difficult.

5. It is recognized that the primary responsibility within the United States Government for the formulation of government policy with respect to the administration of occupied areas must rest with the civilian departments of the government. It is also recognized that the desire of the civilian departments of the government to obtain advice and information upon which policy must be formulated from their own experts in the various fields under investigation is a natural one.

6. Problem has been the subject of several discussions between the Secretaries of the State, War and Navy Departments<sup>26</sup> without final

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<sup>26</sup> Namely, James F. Byrnes, Robert P. Patterson, and James V. Forrestal.

solution. In the present situation recruitment of personnel for your staff is delayed and with respect to certain types of personnel prevented completely. Moreover, with particular reference to your political adviser, it appears here that you are not receiving the maximum of benefit from his presence in Japan, and State Department is dissatisfied with its inability to receive what to it seems appropriate information and reporting from him.

7. Following solution of the problem with respect to which your comments are desired was suggested in conference between War Department representatives and the Acting Secretary of State:

*a.* Your political adviser will be assigned, with such assistance as he may have, to your staff, and, as a member of your staff, will be subject to your authority and control. All other government personnel, including missions or groups to examine special questions, will also be assigned to your staff and will be subject to your authority and control.

*b.* There will be no official channels of communication between the United States Government or its agencies and SCAP or his staff except between SCAP in the theater and the Joint Chiefs of Staff, or, where appropriate, the War Department as the Executive Agency of the Joint Chiefs of Staff, in Washington. All recognize that the position, views or recommendations of SCAP on any question will be for your decision and advice to the Joint Chiefs of Staff, or, where appropriate, the War Department as Executive Agency for the Joint Chiefs of Staff.

*c.* The normal flow of inquiries regarding information as to operation of government or other factual information will be between SCAP and the War Department.

*d.* In the event the policy-making civilian agencies of the government desire the particular views or recommendations of their personnel who are assigned to your staff because of such personnel's technical experience or particular relationship with the department involved, on a special subject, request for such views or recommendations will be transmitted to you by the War Department as Executive Agency of the Joint Chiefs of Staff and the replies of the representatives of the civilian agencies of the government should be transmitted through you to the War Department with such comment or recommendation as you may deem appropriate.<sup>27</sup> It is also proposed that representatives of policy-making civilian agencies who are assigned to your staff will be permitted to send reports and information to their departments in Washington by transmission through your headquarters and the War Department.

<sup>27</sup> Subparagraphs *a-d*, except last sentence of *d*, were transmitted by the Department in telegram 27, January 8, 1946, 7 p. m., to Tokyo, with explanation to Mr. Atcheson that the Departments of State and War had agreed upon this solution after considerable discussion and mutual accommodation (740.00119 Control (Japan)/1-846). General MacArthur's concurrence was reported to the Department by the Secretary of War, Robert P. Patterson, in his letter of January 28, not printed. On February 7 the Secretary of State acknowledged the letter and added: "The formula is acceptable in so far as this Department is concerned." (740.00119 Control (Japan)/1-2846)



8. It is recognized that the foregoing suggested arrangement has the objectional feature of increasing the burden on your staff to transmit or answer inquiries. However, it represents substantial concessions by the civilian agencies of the government, particularly the State Department, with respect to their obligations and responsibilities regarding which they hold very strong views. The State Department is pressing very strongly for issue of instructions on the matter, consequently your comments are requested as soon as you can conveniently send them.

[WARCOS]

740.00119 Control (Japan)/1-746

*Memorandum by the State-War-Navy Coordinating Committee to the Secretary of State*

TOP SECRET

WASHINGTON, 7 January 1946.

SWN-3708

Subject: Reform of the Japanese Governmental System.

References: a. SWNCC 228.<sup>28</sup>  
b. SWNCC 228/1.<sup>29</sup>

At its 32nd meeting the State-War-Navy Coordinating Committee, after amending, approved SWNCC 228 in light of the comments of the Joint Chiefs of Staff contained in reference b.

Copies number 60 and 65 of the revised approved paper (SWNCC 228) and SWNCC 228/1 are forwarded for information.

Copies of these papers have been forwarded to the Secretary of War, Secretary of the Navy and the Joint Chiefs of Staff for their information.

It is requested that the Department of State transmit the enclosed copies number 60 of SWNCC 228 and SWNCC 228/1 to the American Representative on the Far Eastern Commission<sup>30</sup> for his guidance in negotiations with the other members of the Commission on the formulation of an Allied policy on the reform of the Japanese Government.

It is further requested that the Department of State advise the American Representative that no parts of these papers are to be released to the press at present.<sup>31</sup>

For the State-War-Navy Coordinating Committee:

H. FREEMAN MATTHEWS  
Acting Chairman

<sup>28</sup> Annex 1, November 27, 1945, as revised January 7, *infra*.

<sup>29</sup> Annex 2, p. 102.

<sup>30</sup> Maj. Gen. Frank R. McCoy, U.S. Army (retired).

<sup>31</sup> Major General McCoy was duly informed on January 14.



## [Annex 1]

*Report by the State-War-Navy Coordinating Subcommittee for the Far East*

TOP SECRET  
SWNCC 228

REFORM OF THE JAPANESE GOVERNMENTAL SYSTEM <sup>32</sup>

## THE PROBLEM

1. To determine the constitutional reforms which the occupation authorities should insist be carried out in Japan.

## FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

## DISCUSSION

3. See Appendix "B".<sup>33</sup>

## CONCLUSIONS

4. It is concluded that:

a. The Supreme Commander should indicate to the Japanese authorities that the Japanese governmental system should be reformed to accomplish the following general objectives:

(1) A government responsible to an electorate based upon wide representative suffrage;

(2) An executive branch of government deriving its authority from and responsible to the electorate or to a fully representative legislative body;

(3) A legislative body, fully representative of the electorate, with full power to reduce, increase or reject any items in the budget or to suggest new items;

(4) No budget shall become effective without the express approval of the legislative body;

(5) Guarantee of fundamental civil rights to Japanese subjects and to all persons within Japanese jurisdiction;

(6) The popular election or local appointment of as many of the prefectural officials as practicable;

(7) The drafting and adoption of constitutional amendments or of a constitution in a manner which will express the free will of the Japanese people.

b. Though the ultimate form of government in Japan is to be established by the freely expressed will of the Japanese people, the retention of the Emperor institution in its present form is not considered consistent with the foregoing general objectives.

<sup>32</sup> As revised January 7, 1946.

<sup>33</sup> Not printed.

c. If the Japanese people decide that the Emperor Institution is not to be retained, constitutional safeguards against the institution will obviously not be required but the Supreme Commander should indicate to the Japanese that the constitution should be amended to conform to the objectives listed in *a* above and to include specific provisions:

(1) That any other bodies shall possess only a temporary veto power over legislative measures, including constitutional amendments approved by the representative legislative body, and that such body shall have sole authority over financial measures;

(2) That the Ministers of State or the members of a Cabinet should in all cases be civilians;

(3) That the legislative body may meet at will.

d. The Japanese should be encouraged to abolish the Emperor Institution or to reform it along more democratic lines. If the Japanese decide to retain the Institution of the Emperor, however, the Supreme Commander should also indicate to the Japanese authorities that the following safeguards in addition to those enumerated in *a* and *c* above would be necessary:

(1) That the Ministers of State, chosen with the advice and consent of the representative legislative body, shall form a Cabinet collectively responsible to the legislative body;

(2) That when a Cabinet loses the confidence of the representative legislative body, it must either resign or appeal to the electorate;

(3) The Emperor shall act in all important matters only on the advice of the Cabinet;

(4) The Emperor shall be deprived of all military authority such as that provided in Articles XI, XII, XIII, and XIV of Chapter I of the Constitution;

(5) The Cabinet shall advise and assist the Emperor;

(6) The entire income of the Imperial Household shall be turned into the public treasury and the expenses of the Imperial Household shall be appropriated by the legislature in the annual budget.

5. Only as a last resort should the Supreme Commander order the Japanese Government to effect the above listed reforms, as the knowledge that they had been imposed by the Allies would materially reduce the possibility of their acceptance and support by the Japanese people for the future.

6. The effectiveness of governmental reforms in preventing the resurgence of military control in Japan will depend in a large measure upon the acceptance by the Japanese people of the entire program. In the implementation of allied policy on the reform of the Japanese Government, the Supreme Commander for the Allied Powers must take into account the problems of sequence and timing, as well as measures which might be adopted to prepare the Japanese people

to accept the changes, in order to insure that the reforms are lasting in strengthening representative government in Japan.

7. This paper should not be released for publication. The eventual release of a statement of allied policy on the reform of the Japanese Government should be coordinated with the Supreme Commander for the Allied Powers in order not to impede the accomplishment of such reforms in Japan itself.

#### RECOMMENDATIONS

8. It is recommended that:

a. Upon approval by the State-War-Navy Coordinating Committee of the Conclusions in paragraphs 4, 5, 6, and 7 above:

(1) The report, as amended, be forwarded to the State, War and Navy Departments and the Joint Chiefs of Staff for information; and

(2) The report, as amended, be forwarded to the American Representative on the Far Eastern Commission for his guidance in negotiations with other members of the Commission on the formulation of an Allied policy on the reform of the Japanese Government.

b. No part of this report be released to the press at present.

TOP SECRET

#### APPENDIX "A"

#### FACTS BEARING ON THE PROBLEM

1. The Potsdam Declaration provides that:

"... The Japanese Government shall remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people. Freedom of speech, of religion, and of thought, as well as respect for the fundamental human rights shall be established.

"The occupying forces of the Allies shall be withdrawn from Japan as soon as these objectives [as set forth in the Potsdam Declaration]<sup>34</sup> have been accomplished and there has been established in accordance with the freely expressed will of the Japanese people a peacefully inclined and responsible government."

2. The Allied note of August 11 to the Japanese Government<sup>35</sup> stated that:

"The ultimate form of government of Japan shall, in accordance with the Potsdam Declaration, be established by the freely expressed will of the Japanese people."

<sup>34</sup> Brackets appear in the original appendix "A".

<sup>35</sup> See note to the Swiss Chargé (Grässli), August 11, 1945, *Foreign Relations*, 1945, vol. VI, p. 631.



3. One of the ultimate objectives of the United States in regard to Japan is stated in SWNCC 150/4/A, "United States Initial Post-Defeat Policy Relating to Japan";<sup>36</sup> to be:

"To bring about the eventual establishment of a peaceful and responsible government which will respect the rights of other states and will support the objectives of the United States as reflected in the ideals and principles of the Charter of the United Nations. The United States desires that this government should conform as closely as may be to principles of democratic self-government but it is not the responsibility of the Allied Powers to impose upon Japan any form of government not supported by the freely expressed will of the people."

[Annex 2]

*Memorandum by the Joint Chiefs of Staff*

SM-4499

WASHINGTON, 18 December 1945.

SWNCC 228/1

MEMORANDUM FOR THE STATE-WAR-NAVY COORDINATING COMMITTEE

Subject: Reform of the Japanese Governmental System.

The Joint Chiefs of Staff have considered a report by the State-War-Navy Coordinating Subcommittee for the Far East (SWNCC 228 <sup>37</sup>), on the subject of reform of the Japanese governmental system, in which it is recommended that certain policies for reform be indicated, or as a last resort, be imposed by the Allies upon the Japanese authorities.

They assume that in formulating these policies, due consideration was given to the statement in the Three Power Proclamation issued from Berlin to the Japanese people on 26 July 1945, to the effect that there is to be established in Japan "in accordance with the freely expressed will of the Japanese people, a peacefully inclined and responsible government."

From the long-range military point of view, the major concern of the Joint Chiefs of Staff with regard to the government of Japan is that no nationalistic or military clique or combination should again be able to dominate that country and lead it into a war of aggression. The effectiveness of governmental reforms in preventing the resurgence of military control in Japan will depend in a large measure upon the acceptance by the Japanese people of the entire program. The principal short-term military interest is in the possibility that the implementation of the proposed reforms may foment unrest in Japan to such a degree as to require increases in occupational forces

<sup>36</sup> September 21, 1945; for text, see Department of State *Bulletin*, September 23, 1945, p. 423.

<sup>37</sup> Annex, 1, p. 99.

or lengthening of the tenure of occupation by such forces. The Joint Chiefs of Staff consider it appropriate to point out that the effectiveness of the United States Army and Navy has already been reduced incident to demobilization, and that continuance of demobilization under current plans will, in the course of the next twelve months, further reduce the fighting strength of the United States armed forces to a point where it will be difficult to deal with any serious unrest in Japan.

The Joint Chiefs of Staff further consider that, as a matter of planning in connection with the successful attainment of these ends, additional studies should be made by the Supreme Commander for the Allied Powers on the details of the sequence and timing of the proposed reforms, together with measures which should be adopted to prepare the Japanese people to accept the changes in order to minimize unrest and disorder and to insure that the reforms are lasting in strengthening representative government in Japan.

Subject to the foregoing remarks, the Joint Chiefs of Staff perceive no objection from the military point of view to the objectives set forth in paragraphs 4 and 5 thereof.

For the Joint Chiefs of Staff:  
A. J. McFARLAND  
Brigadier General, USA  
Secretary

740.00119 Control (Japan)/1-846

*Memorandum of Conversation, by the Chief of the Division of Japanese Affairs (Turner)*

[WASHINGTON,] January 8, 1946.

Mr. Everson<sup>38</sup> laid on my desk this morning the Departmental press release<sup>39</sup> in regard to the State-War Department group of experts headed by Mr. Corwin D. Edwards of the State Department which will proceed to Tokyo to "procure data and make studies for use in connection with the implementation of Allied economic control policy in Japan". Mr. Everson said that this notice to the press was the first intimation received by the British of any such project on behalf of the Allies. He said that while he was not instructed to make any representations in the matter, he felt that the time had come when the major Allied powers should be kept informed at least, if not consulted in advance, of any steps being taken in connection with important control policies. He said that thus far the British Government

<sup>38</sup> Frederick C. Everson, Second Secretary, British Embassy.

<sup>39</sup> No. 5, January 3, Department of State *Bulletin*, January 6 and 13, 1946, p. 10.

had been content to let things take their course, in view of the efficient way in which General MacArthur has handled the situation in Japan, but that hereafter with the setting up of the Far Eastern Commission and with more active participation by other of the Allied governments in control policies toward Japan, the British Government would wish to be afforded an opportunity to express its views in such matters.

I informed Mr. Everson that I would bring his views to the attention of the authorities concerned.

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740.00119 Control (Japan)/1-846: Telegram

*The Acting Political Adviser in Japan (Atcheson) to the Secretary of State*

TOKYO, January 8, 1946.

[Received January 13—6:50 p. m.]

14. Tokyo vernacular press not only gave unprecedented news coverage to January 4 directives but departed from usual practice of waiting day or two by making immediate editorial comment on January 5. Tone ranged from favorable to enthusiastic.

Points of general agreement: Revolutionary changes required are necessary for democratization in Japan; failure of Government to take step voluntarily clear indication its weakness and lack of understanding of democracy; balance of power and political leadership now rests with Social Democrats and Communists; Cabinet seriously affected, will probably fall; Home Ministry practically wiped out.

*Asahi.* Directives issued because Government, to its shame, neglected its duty. SCAP has advanced democratization Japan. Future leadership must be found [not?] in the individuals but in democratic social organizations of the people, such as labor and farmers' unions. Importance next elections increased.

*Mainichi.* Directives welcomed by great majority people. Old parties dependent on militarists had merely repainted signs. We do not have a new starting point for Japan. Parties must retain their policies and people exercise their franchise with care.

*Yomiuri.* Downfall of Cabinet inevitable. Now is time for people to erect new government with their own hands. New directives now complete. Prosecution of those responsible for war and infringement human rights must be carried on by people. Emperor cannot avoid responsibility. Directives are a warning, we must rush on road to democracy.

Sent to Department; repeated to Chungking as our 93 and to Moscow as 3.

ATCHESON



740.00119 Control (Japan)/2-2046

*Report by the State-War-Navy Coordinating Subcommittee for the Far East*<sup>40</sup>

SECRET

[WASHINGTON, 8 January 1946.]

SWNCC 162/2

## REORIENTATION OF THE JAPANESE

## THE PROBLEM

1. What action should be taken to fix U.S. responsibility for basic planning for and the continuing development of the reeducation and reorientation of the Japanese people for the purpose of bringing about the development of a peaceful and democratic Japan?

## FACTS BEARING ON THE PROBLEM

2. See Appendix "A".<sup>41</sup>

## DISCUSSION

3. See Appendix "B".

## CONCLUSIONS

4. It is concluded that:

a. Since many of the initial steps designed to attain the basic objectives of the Allied Powers through reorientation and reeducation of the Japanese have already been taken by SCAP in compliance with his current directives or soon will be implemented, it is unnecessary at this time to specify further action in detail as contemplated in SWNCC 162/D.

b. The long-range character of reorientation makes it desirable to fix at this time the U.S. responsibility for basic planning and continuing development in order that (1) the present program as implemented by SCAP may be properly integrated with the long-range program of reorientation, and that (2) the transfer from military to civilian control may take place in an orderly manner.

c. Because of the inherent nature of the problem, the basic planning for and continuing development of a U.S. program of reorientation and reeducation is an appropriate responsibility of the Department of State subject to existing arrangements with respect to control machinery for Japan and the channel of command for issuing instructions to SCAP.

d. The Department of State should immediately undertake basic planning for and the development of such a program for the approval of SWNCC, and where necessary, for that of the FEC. Such a program should be implemented by SCAP and where appropriate and after coordination with SCAP by the State Department in the United States.

e. This program should be considered as a matter of priority and should be given adequate support in funds, material and facilities to

<sup>40</sup> As revised February 19 by SWNCC; transmitted to the Far Eastern Commission on February 21.

<sup>41</sup> *Ante*, p. 101.

insure that maximum advantage is taken of present more favorable psychological conditions of the Japanese people.

#### RECOMMENDATIONS

5. It is recommended that:

*a.* The paper be transmitted by SWNCC to the JCS for comment as a matter of priority.

*b.* After receipt of the comments of the JCS, the SWNCC approve the "Conclusions" in paragraph 4 above.

*c.* This report be transmitted to the War and Navy Departments for their information, to the State Department for implementation and to the United States representative on the Far Eastern Commission for his information.

*d.* The integrated program as developed by the State Department pursuant to the "Conclusions" in paragraph 4 above be submitted to SWNCC as early as possible for its consideration as a matter of priority.

[Annex]

#### APPENDIX "B"

#### DISCUSSION

#### SECRET

1. Most Japanese, in greater or lesser degree, at present share a common attitude of mind of which the following are salient elements:

*a.* The persistence of feudal concepts, including class stratification, the glorification of the military, and a habit of subservience to authority.

*b.* A belief in the superior qualifications of the Japanese for world leadership, closely connected with the cult of emperor-worship fostered in recent years by the military to serve their own purposes.

*c.* Extreme racial consciousness, and an anti-foreign complex, which, however, is often combined with great admiration for foreign achievements and learning.

2. It is probable that the attainment of the ultimate objectives of the Allied Powers in regard to Japan cannot be assured in the absence of changes in these ideologies and ways of thinking, which have in the past motivated the Japanese people as a whole in the pursuit of chauvinistic and militaristic policies.

3. It will not be necessary to recast all Japanese cultural concepts; rather, it is proposed to develop those particular Japanese concepts which will create new attitudes of mind conforming to the basic principles of democracy and fair dealing.

4. It is recognized that the character of our occupation of Japan and the commitment to act through the Japanese Government require that the approach to the Japanese be made through their own leaders.

It is also recognized that the Japanese may offer resistance to new ideas and points of view advanced directly by the occupation authorities, whereas the same ideas, put forward by leaders of their own and in whom they have confidence, may very well be favorably received and acted upon. There are numerous Japanese who, through prior contacts and earlier education, will be disposed to accept and assist in the development of our ultimate objectives and along lines which will further the interests of the United States. For this reason a fundamental responsibility of the Allied authorities in Japan should be to seek out such persons, ensure that they are placed in positions that will enable them to accomplish these aims, and afford them counsel, guidance and support.

5. If it is to be successful the process of reorientation cannot be restricted to formalized education or to a mere reform of the educational system. It must be extended to a reeducation not only of the youth but of the population as a whole, and must be developed in such manner as to reach into the minds of the Japanese through every available channel. The influence of Japanese leaders in every field should be utilized as well as all appropriate media, including books, text books, periodicals, motion pictures, radio, lectures, discussion groups and the schools. The methods of approach and character of materials used must be carefully considered, must be persuasive rather than didactic, and must be designed to ensure the maximum response and acceptance by the Japanese.

6. On the national level, our objective should be to encourage the Japanese to develop the political responsibility of the individual citizen, and thereby to develop a gradual reorganization of the Japanese political system. It is axiomatic that the only effective political reform must stem from the people themselves. Political reforms imposed solely by the fiat of a military occupant will either be resisted by the people, or will be ignored by them. Our policy must be designed to supply to the Japanese themselves the ideas and incentives essential to the indigenous development of a political reorganization stemming from the people as a whole.

7. The Japanese are a literate people. They realize that an education is desirable and this fact coupled with their habit of obedience to authority and uncritical acceptance of the teachings of their leaders, makes them receptive to a process of ideological reorientation which is properly presented. One of the most effective means of achieving this objective will be to furnish information concerning the world outside Japan.

8. It will be the policy of the United States not to repress ideas and information from other sources, but to ensure an adequate presentation through Japanese media and channels and an adequate understanding



by the Japanese of the aims and ideals of the United States. Other aims and ideals will undoubtedly be promoted, and it is essential, in order to give the Japanese a true picture and enable them to make up their minds intelligently as to their future in relation to the United States and the world at large, that we present our case effectively and comprehensively.

9. It should be borne in mind that a process of reorientation will only be effective as it goes hand in hand with some gradual improvement in the economic condition of the ordinary Japanese toward whom it is directed, as compared with the conditions existing at the time of surrender. To this end, it is essential that the economic policies of our occupation, including the encouragement of appropriate agrarian and economic reforms, be integrated as a part of the entire process of reorientation of the Japanese, and that whatever relief is furnished and whatever economic improvement is made be utilized in influencing the minds of the Japanese in the direction of such reorientation.

10. The entire program in type and scope should be designed so that it can be carried on by the Japanese themselves following withdrawal of controls, and, to this end, it will be essential from the beginning to encourage participation by local groups and organizations. It must be emphasized that reeducation promptly and adequately made effective will materially speed the development of a responsible and trustworthy government in Japan, thereby materially shortening the period of occupation and reducing the commitments of the United States.

11. In the main reorientation will be accomplished through the channels of information, education and religion. Unlike other aspects of the occupation, information, education and religion will present long-range problems extending in some instances over several decades. At the same time the ground work for these aspects of the reorientation program must be laid at once, lest there crystallize in the Japanese mind attitudes and concepts the possession of which would defeat the purposes of occupation. Reorientation and reeducation are primarily civilian tasks and will require large numbers of civilian experts for their performance. Their early recruitment by some agency of the U.S. Government would appear to be essential to the success of any program.

12. While the process of reorientation has already been initiated by SCAP, it will necessarily extend beyond the earlier and predominantly military phase of our control of Japan into the period of predominantly political and economic controls. The program of reorientation should be considered as a unit, designed to cover both phases of control. It is of great importance to give early considera-

tion to its implementation in the later phase. The principal responsibility for the long-range aspects of reorientation will rest ultimately with the Department of State. In order to assure continuity to the program and to bring about an orderly transition from military to civilian control it is of utmost importance that arrangements be made for the Department of State to assume responsibility for its execution at as early a date as feasible.

740.00119 Control (Japan)/1-1046

*The Acting Political Adviser in Japan (Atcheson) to the Secretary of State*

No. 189

TOKYO, January 10, 1946.

[Received January 23.]

SIR: I have the honor to enclose copy of a memorandum of conversation dated January 8, 1946,<sup>42</sup> reporting a conversation which took place on that date between Mr. Narahashi Wataru, Chief of the Cabinet Legislative Bureau, and a member of the staff of this Mission.

*Summary of Mr. Narahashi's remarks.* Following the issuance of the January "purge" directive, the Cabinet divided as to the course of action it should take, one group favoring resignation *en bloc* without further participation in government, another proposing a reshuffling of five or six cabinet posts, and the last suggesting resignation *en bloc* to be followed by formation of new Cabinet under Shidehara, bringing in new members, some from the political parties. Mr. Narahashi favors the last course. Cabinet members Tsugita, Horikiri, Matsumura, Tanaka, Miyoshi, Maeda and Matsumoto,<sup>43</sup> eighty percent of the Home Ministry, one hundred fifty Peers, and one hundred members of the House of Representatives may be affected by directives. Only a government headed by Shidehara, who is politically neutral, can assure a "fair" election. An "investigative court" should be established to determine which officials should be removed under the directives in order to avoid injustices liable to arise through blanket application. *End of Summary.*

Respectfully yours,

GEORGE ATCHESON

<sup>42</sup> Not printed.

<sup>43</sup> Daisaburo Tsugita, Minister Without Portfolio and Chief Cabinet Secretary; Zenjiro Horikiri, Home Minister; Kenzo Matsumura, Minister of Agriculture and Forestry; Takeo Tanaka, Transportation Minister; Miyoshi, Vice-Chief Cabinet Secretary; Tamon Maeda, Minister of Education; and Joji Matsumoto, Minister Without Portfolio.

740.00119 FEAC/1-1346: Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

CONFIDENTIAL

Moscow, January 13, 1946—4 p. m.

PRIORITY

[Received January 13—3:38 p. m.]

129. ReDeptel 31, January 7.<sup>44</sup> Have just received reply from Dekanozov<sup>45</sup> to my letter of January 10 to Molotov<sup>46</sup> transmitting French reply on participation in Far Eastern Commission and Department's answer.

Dekanozov states merely that "Soviet Government has taken note of French Government's communication which you have transmitted to effect that it is agreed to participate in work of Far Eastern Commission".

Department will note that Soviet communication makes no mention of French conditions or of our reaction thereto and does not indicate that Soviet Government has even "taken note" of these messages. Our experience of Soviet drafting does not indicate that these omissions are fortuitous.

Sent Department 129; repeated Paris 16; London 22; Chungking 10.

KENNAN

894.42A/1-1446

*The Acting Secretary of War (Royall) to the Secretary of State*

WASHINGTON, 14 January 1946.

DEAR MR. SECRETARY: I have received the inclosed cable, dated 4 January 1946,<sup>47</sup> from the Supreme Commander for the Allied Powers, requesting that an education mission of no less than eighteen nor more than twenty-one distinguished American educators be formed for the purpose of advising his Staff, the Japanese Education Ministry, and others on technical matters relating to the Occupation Education Program. He desires that the mission depart for Tokyo at the earliest possible date and remain there for an estimated period of thirty days.

As you probably know, State-War-Navy Coordinating Committee Paper 162/2, dated 8 January 1946, Subject: Reorientation of the Japanese, now in process for final approval, concludes that the long-range character of reorientation and reeducation of the Japanese is an appropriate responsibility of the Department of State and that

<sup>44</sup> Not printed.<sup>45</sup> Vladimir Georgiyevich Dekanozov, Soviet Assistant People's Commissar for Foreign Affairs.<sup>46</sup> Vyacheslav Mikhailovich Molotov, Soviet People's Commissar for Foreign Affairs.<sup>47</sup> ZA-12201, not printed.



the Department of State should immediately undertake the development of such a program to be implemented by SCAP. It is, therefore, considered that the recruitment and final selection of this mission is an appropriate responsibility of the Department of State.

It is requested that you form this mission from among the educators named or such substitutes as you may feel desirable, and that the collateral considerations of including Catholic and other sectarian advisors who are not considered in the cable be given weight in the formation of the mission. It would be highly desirable if the mission could be selected and depart not later than 15 February 1946. When selected, the War Department will provide all necessary transportation and expenses incident to the needs of the mission.<sup>48</sup>

Sincerely yours,

KENNETH C. ROYALL

740.00119 FEAC/1-1746: Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

RESTRICTED

Moscow, January 17, 1946.

PRIORITY

[Received January 17—9:23 a. m.]

150. Lozovski replied on January 15 to my letter of January 11 communicating substance of Depcirtel January 7 as follows:

"Soviet Govt considers that it is time to proceed to realization of decision of Moscow Conference of three Foreign Ministers on establishment of Far Eastern Commission and, for its part, also believes it expedient in interests of matter at hand to keep to minimum procedural details connected with this.

"At same time Soviet Government believes it necessary to draw to attention of Government of US that in decision of conference of three Ministers it is stated Far Eastern Commission being formed will replace Far Eastern Advisory Commission and that Government of US on behalf of Four Powers should present terms of reference to other governments specified in Article I and invite them to participate in the Commission on the revised basis. Thus it does not follow from decision of conference of three Ministers that Far Eastern Advisory Commission with its former committees, rules, etc., will be automatically transformed into Far Eastern Commission.

"Soviet Govt assumes that as soon as members of Far Eastern Advisory Commission return from Japan to Washington, Govt of USA will take measures to convene an organizational session of Far Eastern Commission so that latter may without delay begin to function on basis of decision of conference of three Ministers of Foreign Affairs."

KENNAN

<sup>48</sup> Acting Secretary of State Acheson in his letter of January 19 agreed to take appropriate steps in accordance with this request and said the Office of Education would be consulted for any suggestions.

740.00119 Control (Japan)/1-1746: Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

RESTRICTED

Moscow, January 17, 1946—10 a. m.

PRIORITY

[Received January 17—8:55 a. m.]

151. Note from FonOff dated January 15 states:

"In the very next days, following will depart from Moscow for their post of duty in Tokyo: Member of Allied Council for Japan, Lieutenant General K. N. Derevyanko; Political Advisor under Lt. Gen. Derevyanko, Ambassador Ya. A. Malik; deputy of latter, Counselor Peter Victor Anurov; and Economic Advisor L. A. Razin."

Department will note this is first time name of Anurov has been communicated to Embassy (ReEmb's 31 [3] January 1). Embassy has no biographical data on him.

KENNAN

740.00119 Control (Japan)/1-1746: Telegram

*The Acting Political Adviser in Japan (Acheson) to the Secretary of State*

SECRET

Tokyo, January 17, 1946.

[Received January 23—3:37 p. m.]

42. A summary follows of political events from 10 to 16 January.

*Reorganization of Cabinet.* The political crisis of the past 10 days came to an anti-climactical end when Tsugita, Maeda, Tanaka, Matsumura, and Horikiri were replaced by the Premier. These men had been disqualified from holding public office by 4 January directives. The following replacements were also made: Home and Transportation Minister, Mitsuchi Chuzo; Benosei [apparent garble]<sup>49</sup> and Soyejima Senpachi, Education and Agriculture Ministers; Chief Cabinet Secretary, Narahashi Wateru; as Director of the Cabinet Legislative Board, Ishiguro Takeshige succeeds Narahashi. It was stated by the Cabinet Secretary that Ogasawara and Matsumoto will stay in office unless there is objection by SCAP, in which case permission will be asked by the government to keep Matsumoto on the grounds of indispensability.

The decision of the Cabinet to reorganize rather than resign, and the character of the new appointments, has been a source of resentment and bitter disappointment to the press and all parties except the Progressives, although it was conceded by thinking persons that peculiar difficulties were presented by the formation of the government which would both be capable of taking decisive action for the

<sup>49</sup> Yoshishige Abe became Japanese Minister of Education.

solution of current problems, reform and livelihood, and would ensure impartial elections.

The newcomers, none with party affiliations, scored as oldline reactionary politician-bureaucrats, except for Abe, whose assignment was praised widely as a liberal educationalist and of reputation a stronger personality than Maeda.

It is reported that the President of the Kinki Railway Company, Oida Torao, is scheduled to soon succeed Mitsuchi in the Transportation post.

*Government.* The approval of the provisional Cabinet was given the draft ordinance which prohibits persons who were affected by the 4 January directives from holding public office, for submission to SCAP. Cases which are doubtful are to be decided by the Premier based on a special questionnaire which is filed under penalties for omission or falsification of as much as a 3,000 yen fine or one year at hard labor. On or soon after 15 March the Government plans to hold elections as authorized by SCAP, but doubt has been expressed by some observers whether the screening of candidates will be finished before the last part of February, which will make it necessary to postpone the date of elections until the last part of March. It was stated by Minister Matsumoto that preliminary investigations had been completed by the constitution revision committee and that the actual drafting has been started. Stipulated in the constitution revision bill will be the House of Peers ordinance revision bill, asking for the reduction of House members up to 303, of whom there would only be 30 Peers, calling for the elimination of high tax payers representative, and various other changes, which was favorably received on the assumption of more fundamental reforms, particularly the reduction of legislative powers of the Upper House.

As Household Minister, Ishiwata is succeeded by Viscount Mutsudaira Ishitomi. The publication of details of the war profits and property taxes proposed by the Government, with an expected 100,000,000,000 yen yield, brought out widespread demands that the collected funds not be utilized to redeem Government bonds or to meet indemnification claims for war losses, thereby accentuating the concentration of wealth rather than diminishing it. Its effectiveness as a curb on inflation is held quite reduced by its long term payment aspects.

On 31 December the note issue of the Bank of Japan amounted to 55,400,000,000. The rice crop for 1945 was established finally at 39,200,000 koku, 35.5% below the past 5 years average and the lowest since 1905. Up to 31 December deliveries amounted to 23% quota, compared with 42% for the same date in 1944 with reports being



given out that the loss of confidence in the government during the political crisis had further retarded deliveries.

The Ministry of Agriculture decided on the maximum area of farming land to be permitted individual farmers under the reform bill which was recently enacted, ranging from 3.6 *chobu* in 6 of the more intensively cultivated prefectures to 19 *chobu* in Hokkaido. Effective 1 March as [*an*] increase in railway fares for passengers was approved by the Rates Commission at 2.5 times and for freight rates 3 times. 1,500,000 women and 1,700,000 men were shown as without jobs as of 1 December by an unemployment census taken by the Welfare Ministry, with many unemployed reportedly failing to announce they were without jobs for fear of possibly being drafted to mines, and other reasons.

It is reported that a new commodity price control plan is being prepared by the Ministry of Finance. The licensed (contract) system of prostitution in the Tokyo area was abolished by the metropolitan police.

[Here follows report on other subjects.]

Nosaka Sanzo (Sanji) was welcomed from China enthusiastically by the Communist [leaders?] who issued with Nosaka a joint statement which substantially modified the stand taken by the party on the issue of the Emperor and cooperation with the other parties. Called for in the statement were (*a*) abolition of the Emperor system as a state institution; (*b*) should the people so decide, the retention of the Imperial household as an object of popular sentiment and for decorative purposes; and (*c*) the setting up of a "Democratic Front" by all groups' or parties' democratic elements, with each at liberty to keep its particular viewpoint.

The spokesman for the Socialists welcomed the statement as he noted that the new stand on the issue of the Emperor was a close approach to the views of the Socialists. Some observers expect that Nosaka, who has a wide following and acquaintanceship among the non-Communists, and whom the party plans to enter in the coming elections as a candidate, will exert an influence of restraint on the tactics and policies of the Communists which, without increasing necessarily the Communist Party's strength as such, may assist materially the setting up eventually of an effective popular front. The purged leader of the Progressive Party, Tsujumi Yusuke, was reported to have stated that by no means have he and other disqualified Progressives renounced all ambitions politically, and that until an opportunity is presented for a comeback, they intended to devote their time to farming, business, or journalism and to guiding younger men to aspire to political posts.

Repeated to Moscow and Chungking.

ATCHESON

740.00119 FEAC/1-1746: Telegram

*The Acting Secretary of State to the Chargé in the Soviet Union  
(Kennan)*

RESTRICTED

WASHINGTON, January 18, 1946—8 p. m.

104. Dept is repeating text letter quoted urtel 150 Jan 17 to London and Chungking with following instructions:

“Convey substance above to FonOff, adding that this Govt desires cooperate in expediting full functioning of Commission and that it is willing to follow any reasonable procedure agreeable to its Allies.”

On Dec 28 Dept telegraphically instructed Paris, The Hague, Canberra, Ottawa, Wellington and New Delhi <sup>50</sup> “acting in name of this Govt and on behalf of Govts of US, USSR, UK and China, address a communication to Govt to which you are accredited making appropriate reference to previous correspondence and inviting that Govt to participate in Far Eastern Commission on basis of following terms of reference:” (followed by complete text of terms of reference as given in Moscow communiqué). Similar invitation also communicated to Philippine Govt.

French reply (Paris tel 63, Jan 4) already repeated to you. Unconditional acceptances have been received from Govts of Indian and Canada. No formal replies yet received from Netherlands, Australia, New Zealand or Philippines.

Inform FonOff in your discretion.<sup>51</sup>

ACHESON

740.00119 Control (Japan)/1-2146

*The Acting Political Adviser in Japan (Acheson) to the Secretary  
of State*

No. 219

Tokyo, January 21, 1946.

[Received February 1.]

SIR: I have the honor to refer to this Mission's telegram No. 171, November 29, 1945,<sup>52</sup> despatch No. 105, December 15, 1945,<sup>53</sup> and other correspondence regarding the revision of Japanese fundamental law, and to enclose a translation of an outline, approved by the Cabinet

<sup>50</sup> See telegram 131, December 28, 1945, to Canberra, *Foreign Relations*, 1945, vol. VI, p. 894.

<sup>51</sup> In telegram 214, January 24, 1946, 2 p. m., from Moscow, Mr. Kennan advised against informing the Soviet Foreign Office but suggested that any definite proposal on transformation of the Far Eastern Commission be communicated through Mr. Gromyko in Washington (740.00119 FEAC/1-2446).

<sup>52</sup> *Foreign Relations*, 1945, vol. VI, p. 870.

<sup>53</sup> See *ibid.*, p. 882, footnote 48.

January 8, 1946, of a draft bill for the revision of the House of Peers Ordinance.<sup>54</sup>

It was the original intention of the Government to obtain legislative approval of this bill at the next session of the Diet, reorganize and reform the House of Peers in accordance with the provisions of the bill, and shortly afterward convene a special session of the newly selected House of Representatives and House of Peers to revise the Constitution. Minister Without Portfolio Matsumoto Joji, Chairman of the Cabinet Constitution Revision Committee, announced on January 16, however, that postponement of the elections until the latter part of March had led the Government to alter this plan, and that it is now preparing to submit its proposals for the revision of the Constitution to the next session of the Diet in advance of the House of Peers Ordinance revision bill. While this arrangement, which of course may be altered by the government which assumes power after the elections, would have the possible advantage of advancing the date of parliamentary consideration of Constitutional revision from late May or early June until mid-April, it has the obvious disadvantage that the Constitution revision bill would be acted upon by the present, war-time House of Peers.

The principal changes proposed in the attached outline are (1) reduction of the total membership of the House of Peers from the present number of 408 to slightly over 300; (2) reduction of the number of noble members from approximately 200 to 30; (3) inclusion of occupational and regional representatives, the latter nominated by the prefectural and regional assemblies; and (4) provision that any future revision or amendment of the House of Peers Ordinance shall require the approval of the House of Representatives. Public reaction to the proposed changes has been generally favorable (See our Political Summary Telegram No. 42, January 17, 1946), always on the assumption that more fundamental reforms, relegating the House of Peers to a definitely subordinate role in the legislative process, will be effected through revision of Chapter III of the Constitution. The view is fairly widely entertained, however, that the number of regional representatives stipulated is too large and the number of occupational representatives too small, and that princes of the blood and peers might better be excluded entirely. It is held that while the peerage in Great Britain and some other countries includes a considerable proportion of able, public-spirited men, this is not the case in Japan. Those of this view accordingly propose that princes of the blood and peers no longer be included among the membership of the House of Peers, which would of course then be re-

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<sup>54</sup> Not printed.



named, and that their places be taken by additional occupational representatives.

There has been no indication yet whether the Emperor's renunciation of divinity in his New Year's Day Rescript has led the Government to revise its view that Articles I through IV of the Constitution require no important change.

Respectfully yours,

GEORGE ATCHESON, JR.

740.00119 Control (Japan)/12-3145

*The Acting Secretary of State to the Australian Minister (Eggleston)*

SECRET

WASHINGTON, January 22, 1946.

SIR: I have the honor to refer to your note no. 544/45 of December 31, 1945,<sup>55</sup> relative to the participation of forces of the British Commonwealth in the occupation of Japan. In this note it is indicated that the statement of general principles proposed by the United States Government as communicated in my note of December 7, 1945,<sup>56</sup> has been the subject of consultation between the British Commonwealth Governments concerned, and also between General MacArthur and Lieutenant General Northcott, Commander-in-Chief of the British Commonwealth Occupation Force. By your note under reference you inquire whether the arrangements agreed upon between General MacArthur and Lieutenant General Northcott as contained in a memorandum signed at Tokyo on December 18, 1945, are acceptable to the United States Government.

The tentative agreement relative to the establishment of the British Commonwealth Force in Japan, as agreed upon between General MacArthur and Lieutenant General Northcott, follows:

1. *Command relationships:*

a. Mission

The British Commonwealth Force will constitute a component of occupation forces in Japan under the supreme command of the Supreme Commander for the Allied Powers. It will be charged with the normal military duties of a force of its size and composition, including military control of Hiroshima Prefecture and such other ground and air areas as may be allocated to it for this purpose, demilitarization and disposition of Japanese installations and armaments within such ground areas and measures necessary for the security of the force. These areas do not constitute a national zone. It will accomplish such ground and air patrol and surveillance missions within

<sup>55</sup> *Foreign Relations*, 1945, vol. vi, p. 897.

<sup>56</sup> *Ibid.*, p. 879.

allocated areas as may be directed. Military government functions within areas allocated to the British Commonwealth Force will be conducted by U.S. agencies as directed by SCAP. Relationships of the British Commonwealth Force with the Japanese, and routine security functions pertaining primarily to Eighth Army operations as a whole, will be prescribed by the Commanding General, (CG), Eighth Army. The British Commonwealth Force will conduct such military operations outside normally allocated areas as may be directed to the CG, Eighth Army for ground forces and the CG, Fifth Air Force for air forces.

*b. Command organization:*

SCAP will assign ground forces of the British Commonwealth Force to operational control of the CG, Eighth U.S. Army. SCAP will assign operational control of the air component of the British Commonwealth Force to the CG, Pacific Air Command, U.S. Army (PACUSA). Such air component will function as a separate air command under the Fifth Air Force. SCAP will assign operational control of Royal Naval Port Party, British Commonwealth Force, to the U.S. naval commander exercising jurisdiction over Japanese ports, for operation of the port of Kure. Such assignments to operational control will become effective upon arrival of the forces concerned at Japanese ports of debarkation. Ground forces of the British Commonwealth Force will function as a corps of two divisions under the command of the GOC, British Commonwealth Forces, as corps commander. The corps will be composed of one British-Indian Division of two brigade (bde) groups with supporting troops, and an Anzac division of one brigade and one brigade group with supporting troops. Logistic organization of the British Commonwealth Force will be as prescribed by the commander thereof. GOC, British Commonwealth Force will remain responsible for the maintenance and administration of the British Commonwealth Force as a whole.

*c. Command and administrative channels:*

(1) GOC, British Commonwealth Force will have the right of direct access to the Supreme Commander for the Allied Powers for matters of major policy affecting the operational capabilities of the force.

(2) GOC, British Commonwealth Force will retain the right of direct communication with the British Commonwealth Joint Chiefs of Staff in Australia on administrative matters affecting the force.

(3) It is understood that for matters of governmental concern affecting the policy and operations of the British Commonwealth Force, the channel of communication lies from the Australian Government as representative of the British Commonwealth of Nations through the United States Government and the United States Joint Chiefs of Staff to the Supreme Commander for the Allied Powers.



(4) In administrative matters pertaining to relations with United States forces or with the Japanese, the GOC, British Commonwealth Force will be governed by policies prescribed by commanders exercising operational control. Such policies will in general conform to those prescribed for United States forces. In case of conflict between such administrative instructions received from the CG, Eighth Army and the CG, PACUSA (or his designated representative), the matter will be referred to General Headquarters (GHQ) SCAP for decision.

[Here follow paragraphs on liaison and areas of responsibility.]

### 3. *Forces:*

*a.* It is understood that the total strength of the British Commonwealth Force will be determined by inter-governmental decision. It is also understood that the British Commonwealth Force plans to maintain its basic organization as a corps of two divisions of two brigades each, with suitable air and (air and ground) service supporting elements within the strength eventually determined. Major unit strength will be adjusted to meet the total strength determined by inter-governmental decision. Composition and strength of the air component of the force is also subject of inter-governmental decision.

*b.* It is understood that the British Commonwealth Force may be withdrawn wholly or in part upon agreement between the Governments of the United States and Australia or upon six months' notice by either party. It is also understood that reductions will be made in the British Commonwealth Force from time to time in conformity with progressive reductions in United States occupation forces in Japan.

[Here follow further paragraphs on the British Commonwealth Force, miscellaneous matters, signal communications, press releases, and logistics.]

The military authorities of the United States request that particular reference be made to section 3*b* of the foregoing agreement which states that "It is also understood that reductions will be made in the British Commonwealth Force from time to time in conformity with progressive reductions in United States occupation forces in Japan", and request that specific acceptance of this provision be noted by the Australian Government.

The United States Government also wishes to make it a matter of record that the size of the British Commonwealth Force shall be subject to re-examination in the light of any arrangements which may be made in the future relative to the participation of the Republic of China or the Union of Soviet Socialist Republics in the occupation of Japan.

Subject to the foregoing, the arrangements made between General MacArthur and Lieutenant General Northcott are accepted by the United States Government as the agreed basis on which the British



Commonwealth Force will proceed to and participate in the occupation of Japan.

I shall appreciate receiving your early confirmation that the arrangements set forth in this note are acceptable to the Government of Australia.<sup>57</sup>

Accept [etc.]

DEAN ACHESON

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740.00119 Control (Japan)/1-2246

*The Acting Secretary of State to the Australian Minister (Eggleston)*

SECRET

WASHINGTON, January 22, 1946.

The Acting Secretary of State presents his compliments to the Honorable the Minister of Australia and has the honor to refer to a letter dated January 15, 1946, addressed to the United States Joint Chiefs of Staff by Lieutenant General J. D. Lavarack, with which was enclosed a copy of the announcement proposed to be made by the various participating British Commonwealth Governments in connection with the formation and despatch to Japan of the British Commonwealth Occupation Force. By this letter a request is made that approval of this announcement be given by the United States Government.

After consultation with the military and naval authorities concerned, the Acting Secretary is now pleased to state that the proposed announcement as enclosed with the letter above referred to is agreeable to the United States Government subject to the following conditions and minor alterations:

1. It is considered important by the United States that no announcement be made public until after the receipt by the Department of State of the formal acceptance of the Australian Government to the arrangements agreed upon between General MacArthur and Lieutenant General Northcott as to the basis on which the British Commonwealth Occupation Force will proceed to and participate in the occupation of Japan;

2. The United States Government reserves the right to make simultaneous, but not necessarily identical, announcements from the Headquarters of the Supreme Commander of the Allied Powers in Japan and from Washington regarding the participation of the British Commonwealth Occupation Force in the occupation of Japan. The United States Government wishes to be consulted sufficiently in advance of any announcement by the British Commonwealth Governments concerned to enable it to arrange for these simultaneous releases.

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<sup>57</sup> In his note 27/46, January 24, 1946, the Australian Minister replied on behalf of the British Commonwealth Governments concerned, confirming the arrangements set forth as the basis upon which the British Commonwealth Force would participate in the occupation of Japan. Details would be completed with SCAP. (740.00119 Control (Japan)/1-2446)

3. It is requested that the final clause of paragraph five of the proposed announcement be corrected to read: "under operational control of the Admiral commanding the detachment of the United States Fleet"; and

4. The United States Government would prefer that, with regard to the area of the employment of the British Commonwealth Occupation Force mentioned in paragraph nine, the press release be confined to a statement that the British Commonwealth Occupation Force will be located initially in the Hiroshima Prefecture including the cities of Kure and Fukuyama.

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740.00119 F.E.A.C./1-2546 : Telegram

*The Chargé in Australia (Minter) to the Secretary of State*

RESTRICTED

CANBERRA, January 25, 1946—1 p. m.

US URGENT

[Received January 25—9: 17 a. m.]

11. Herewith is the text of the Australian note of January 24: <sup>58</sup>

"I have the honor to refer to my note of 10th January <sup>59</sup> in regard to the invitation extended by your Government to the Australian Government to participate in the Far Eastern Commission on the basis of certain specified terms of reference which were agreed upon at Moscow by the inviting powers.

Our further consideration of the invitation has deepened the apprehension we feel in regard to the inclusion of the veto power in these terms of reference. The work of the Far Eastern Advisory Commission at Washington was characterized by the manner in which policy decisions were arrived at by the members as a result of full consultation of all the member countries which had participated actively in the war against Japan. This democratic procedure was followed so successfully that at Washington it will be submitted for approval by the governments concerned.

My Government desires to point out that the implication of the veto provision is that in relation to the Pacific and Southeast Asia, Australia's status is to be regarded as in some way inferior to that of other powers. The representatives of 10 nations reached in a comparatively short time substantial agreement on a statement of basic policy. The same spirit of cooperation was visible in the work of the Policy Committee, of which I was Chairman. We are anxious to be assured that full consideration will be given to the decisions already made.

The veto procedure is quite alien to a body which has to carry out an armistice, the principles of which have already been agreed upon. Indeed the retention of such a power could easily nullify much of the valuable work already performed by the Commission.

It is further pointed out that the United States and United Kingdom Governments were quite prepared to abandon the veto system and in several proposals put forward with their support there was no inclusion of an individual veto for any state or states.

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<sup>58</sup> From the Australian Minister for External Affairs, Herbert V. Evatt.

<sup>59</sup> Received January 14, not printed.

The Australian Government is of the opinion that the nations invited to participate in the work of the Far Eastern Commission should be given an opportunity to discuss the terms of reference including the veto power at the next meeting of the commission. Australia is not only a member of the Security Council but its sustained and decisive contribution to victory against Japan—fully recognized by your Government—entitles it to be regarded as a party principal in all Pacific affairs. It is specially pointed out in relation to the United States that the President himself was good enough to assure me in relation to Pacific affairs that Australia's future relationships to the United States would be based on the principle of full and active partnership. The proposed veto is, in our view, quite inconsistent with such a relationship".<sup>60</sup>

MINTER

740.00119 FEAC/1-2546 : Telegram

*The Secretary of State to the Chargé in Australia (Minter)*

RESTRICTED

WASHINGTON, January 30, 1946—2 p. m.

US URGENT

16. In view of explanation contained urtel 10, Jan 25,<sup>61</sup> US Government considers note quoted urtel 11, Jan 25, as acceptance of Australian Government to participate in Far Eastern Commission. Please inform Australian Government orally that US Government has, in participation in the FEAC, consistently demonstrated its full support of the democratic procedures which characterized the work of that organization and is confident that the same spirit of cooperation which was evident in its deliberations will be continued in the FEC, also that the US Government, for its part, intends to give full consideration to the decisions made by the FEAC and to make full use of the preparatory work done by that Commission.<sup>62</sup>

BYRNES

<sup>60</sup> As reported by the Chargé in telegram 10, January 25, 1946, from Canberra, this second note was regarded by Australia as an acceptance of the invitation to take part in the Far Eastern Commission, since the United States might be able to use the Australian views on the veto question to have it reconsidered in the Commission (740.00119 FEAC/1-2546).

<sup>61</sup> See footnote 60, above.

<sup>62</sup> Telegram 50, January 31, 1946, 11 a. m., from Wellington, reported New Zealand's acceptance and repeated objection to any veto procedure in matters of international relations (740.00119 FEAC/1-3146).



740.00119 Control (Japan)/3-1346

*Memorandum by the Secretary General of the Far Eastern Advisory  
Commission (Johnson)*<sup>63</sup>

CONFIDENTIAL

[Tokyo,] January 30, 1946.

INTERVIEW WITH GENERAL OF THE ARMY DOUGLAS MACARTHUR

Present: Major General Frank R. McCoy (U. S.)  
Sir George Sansom (U. K.)  
Lt. General Chu Shih-Ming (China)  
Mr. W. D. Forsyth (Australia)  
M. Francis Lacoste (France)  
Mr. E. Herbert Norman (Canada)  
The Honorable Tomas Confesor (P. I.)  
Dr. A. D. A. deKat Angelino (Netherlands)  
Sir Carl Berendsen (New Zealand)  
Mr. R. R. Saksena (India)  
Mr. Nelson T. Johnson (Secretary General)

1. General McCoy, as Chairman of the Commission, presented the Commission to General MacArthur and stated that they were very grateful for the opportunity which General MacArthur had offered of having this interview.

2. General MacArthur began the interview by stating that he had welcomed the visit of the Commission, that he looked upon the relationship between himself and SCAP and the Commission as a relationship of a team, and that he hoped that the Commission had been able to acquire as much of the information they wanted as was possible in the time allotted.

3. With reference to the question of reparations, the Supreme Commander stated that he himself was uncertain as to just how this very important question was to be handled or where jurisdiction was to be found. He said that it was his hope that, when the question was

<sup>63</sup> Copy of memorandum transmitted on March 13 by Mr. Johnson to the Director of the Office of Far Eastern Affairs (Vincent) in a letter which stated he had "prepared this summary of what General MacArthur had to say for General McCoy as the American delegate, and not for the use of the Commission, so that it has not been read here on the Commission by anyone except General McCoy and members of his group of advisers. . . . It does not pretend to be a verbatim account of the conversation, but merely a summary based on memory, and should not in any way be considered as committing General MacArthur as he made it quite clear that these views were his personal ones and in no sense were committing him officially. In the interview he was attempting to answer questions which had arisen in the course of our trip and of which he had been given prior knowledge." On March 25 Mr. Vincent transmitted the foregoing to the Secretary of State and the Under Secretary of State; Secretary Byrnes made a penciled notation: "The President is going to send Pauley back to Manchuria & Korea to inquire as to reparations." Edwin W. Pauley was President Truman's personal representative, with rank of Ambassador, in matters pertaining to reparations. See also pp. 471 ff.

taken in hand and the policies decided, the execution of these policies would be left in his hands as Supreme Commander representing the interested Allied Governments. He felt that it would be disastrous to have an independent reparations body functioning in Japan alongside of SCAP. He stated that he was prepared to set up at once a Reparations Section in SCAP for the purpose of carrying out any policy in regard to reparations that might be decided upon. He discussed the interim conclusions of the Pauley Mission, and stated that there was a feeling in SCAP that the Pauley Mission set too high a value on machinery now in Japanese factories as an item of reparations. He remarked that at one time he had had something to do with the removal of factories, as he had been an engineering officer, and pointed out that it was not a simple thing to pick up a factory and move it from an environment in which it had developed to an entirely new environment and expect that factory to perform efficiently and well. And he thought that, before anything was done with regard to the removal of Japanese factories from Japan to the Philippines or to China, a very careful survey should be made by experts to determine whether such a move would be in the interest of efficiency and whether the cost of such move might not be so great in ships and personnel as to rob the factory of all economic usefulness in the new environment. He stated that it was the impression of SCAP that a great deal of the machinery now left in these factories had deteriorated from lack of care and use, or from abuse, to a point where its further usefulness was questionable; but, in any case, he thought that, before anything definite was done in this matter of using the surplus Japanese factory equipment for reparations, a most careful investigation or survey should be made.

4. With reference to the question of constitutional reform, the Supreme Commander stated that this matter had been taken out of his hands by the Moscow Agreement, and he did not know now just how that was going to be worked out. He pointed out that when he started out in Japan his original directive gave him jurisdiction in the matter, and stated that he had made certain suggestions and the Japanese had begun to work on these suggestions. A committee had been formed for the purpose of carrying out certain constitutional reforms, but insofar as his own part in this work was concerned, the Supreme Commander had ceased to take any action whatever. He said that he had issued no orders or directives, and that he had limited himself merely to suggestions. He pointed out that it was his hope that whatever might be done about constitutional reform in Japan this would be done in such a way as to permit the Japanese to look upon the resulting document as a Japanese product, for he felt that only in this way could the work be permanent. He stated that it was



his belief, that it was his conviction, that a constitution, no matter how good, no matter how well written, forced upon the Japanese by bayonet would last just as long as bayonets were present, and that he was certain that the moment force was withdrawn and the Japanese were left to their own devices they would get rid of that constitution and get something in its place that would be as far from the discarded document as they could get, merely for the purpose of asserting and maintaining their independence of ideas that they had been forced to accept.

5. With reference to war criminals, the Supreme Commander stated that he was preparing to set up the international tribunal which would have jurisdiction over war criminals,<sup>64</sup> that it was his purpose to turn over to the prosecuting personnel attached to the tribunal all the evidence that his organization possessed or might obtain. He stated that the war criminals now in custody were a preliminary group.

6. [This section not printed. In it, when discussing a possible trial of the Emperor as a war criminal, General MacArthur expressed views similar to those in telegram CA 57235, January 25, 1:45 p.m., p. 395.]

7. With reference to the question of trade, the Supreme Commander said that it was his belief that the sooner trade under proper controls was permitted, the better. He hoped that early steps would be taken in this matter. He stated that the only question of trade that had come up thus far was the question of the textile industry, and he had recommended that the entire available textile industry in Japan should be put to work and sufficient cotton be sent in to accomplish that, but that he had met with some opposition in regard to this; that his instructions called for only a part of the available machinery to be used, and he had amended his recommendations; and he understood that some cotton was being sent, and that as soon as it arrived it would be turned over in order that Japanese textile mills could get to work. The only other imports have been some wheat from the Philippines, which had been brought in as a kind of reserve in connection with the food situation. He emphasized that from his point of view the sooner some trade could be started, the better, as it would give the Japanese an economy upon which they could begin to build and it would help to stabilize the situation.

8. With reference to the length of military occupation, the Supreme Commander stated that in his opinion one might state this in length of time as anything between three and five years. He referred to the fact that he had been associated with a number of military occupations and

<sup>64</sup> For special proclamation by SCAP on January 19 on establishment of an International Military Tribunal for the Far East at Tokyo and for the Charter of the Tribunal (IMT), see Department of State *Bulletin*, March 10, 1946, pp. 361-364.



the accompanying phenomena. He stated that no occupation should be carried on longer than necessary and beyond the point where the occupying troops became tired and bored with their work and the attitude of the people to the occupying troops soured. Beyond that point military occupation was a liability.

9. With reference to the question of a peace treaty, the Supreme Commander stated that he considered this a most important matter before the Commission. He stated that he hoped it would receive the early consideration of the Commission. He did not know exactly how peace was to be brought about, whether by a multilateral peace conference or otherwise, but he thought that the Far Eastern Commission should quickly get to work to consider the terms of such a peace treaty, in order that the terms and conditions of the Peace might be determined. He felt that the Far Eastern Commission had an opportunity to lay down terms for a peace settlement in the Pacific which could serve as a model in similar areas elsewhere.

10. The Supreme Commander spoke feelingly about the international character of his mission, and pointed out that, while he was Commander-in-Chief of American Forces, he was also Supreme Commander for the Allies in Japan and that, as Supreme Commander for the Allies, was deeply conscious of his responsibility to each and every nation participating in the occupation.

11. In connection with the international character of his mission as Supreme Commander for the Allies, the Supreme Commander stated most emphatically that he welcomed the participation in the organization of SCAP of representatives of any of the Allied Governments. He remarked that few had thus far been offered or come forward. This seemed to raise certain questions in the minds of the Australian and the New Zealand delegates, and the Supreme Commander made it quite clear that help had been gladly given but that no general request for personnel had been made upon the Allies; but he wanted it clearly understood that any personnel that might be offered would be more than welcome to him and to his organization; that the only condition that he imposed was that the individual be efficient and capable of doing the work for which he was assigned, and that he would not feel or act from a narrow, nationalistic point of view in an organization which was international and where all thought ability must be pooled for the common purpose.

12. Mr. Forsyth of the Australian delegation raised the question as to whether the Supreme Commander had any objection to the views which the Supreme Commander had uttered being communicated to their several Governments. After a moment of silence, the Supreme Commander stated that, of course, he had no objection to his views being communicated to Governments in the same confidence in which

he expressed these views to the members of the Commission. He emphasized that he was talking to the Commission as a part of a team, that his views and opinions were personal, and that it would be tragic if he were to be quoted under such circumstances that he would have to in self-defense take steps to protect himself.

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740.00119 FEAC/1-3146 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom  
(Winant)*

RESTRICTED

WASHINGTON, January 31, 1946—6 p. m.

1084. Dept has informed Soviet Embassy here that as members of Far Eastern Commission now in Japan are expected to return about Feb 12 it should be possible to have first meeting of Commission in Washington shortly thereafter, and has asked Embassy to inform Dept when Soviet representative on Commission may be expected to arrive in Washington.<sup>66</sup>

Convey above informally to Gromyko<sup>67</sup> in your discretion.

Sent to London; repeated to Moscow.<sup>68</sup>

BYRNES

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740.00119 Control (Japan)/1-3146 : Telegram

*The Acting Political Adviser in Japan (Atcheson) to the Secretary  
of State*

SECRET

TOKYO, January 31, 1946.

[Received February 5—4:42 p. m.]

68. For period 24 January through 31 January—Political Summary Government.

The Premier made his first public statement since the reorganization of the Cabinet and declared that constitutional monarchy would have to be maintained regardless of the cost, that it is not contemplated that the peerage system would be totally abolished and that a change in the constitution will be made prior to reforming the House of Peers. An earlier statement of his was repeated when he said that after elections power ought to be transferred only if a majority party emerges that is capable of exerting effective control. The committee investigating the constitution is reported to be making

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<sup>66</sup> The Soviet Chargé (Novikov) replied on February 7, 1946, that the Soviet representative to the Far Eastern Commission would be present on February 20 (740.00119 FEAC/2-746).

<sup>67</sup> Ambassador Gromyko was attending the first session of the United Nations General Assembly in London as a member of the Soviet delegation.

<sup>68</sup> As No. 189.



final changes on the final revision. The first four articles are unchanged except that the Emperor is no longer sacred but is declared supreme (Shison). The peerage seats and the imperial family's seats are abolished and it was reported by *Mainichi* that the House of Peers would be redesignated the State Council or Sangiin. It has been decided by the Cabinet that elections should be held on 3 March and that the new Diet would meet about 20 April. An ordinance was approved that requires that prospective candidates fill out prescribed forms that would be examined by a special agency which is under Home Ministry supervision. These forms would have to be submitted not later than 10 February in order that the eligibility of all candidates may be determined by 1 March under 4 January directives. Fourteen imperial princes have decided to resign and 69 House of Peers members are affected by the purge. The appointment of 28 prefectural Governors was made but the Home Ministry only supplied 7.

[Here follows report on other subjects.]

ATCHESON

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894.5043/3-2846

*Memorandum by Mr. Philip B. Sullivan, of the Division of International Labor, Social, and Health Affairs*<sup>69</sup>

[WASHINGTON,] January 31, 1946.

### THE TRADE UNION LAW OF JAPAN

The text of Japanese Law No. 51, the Trade Union Law,\* passed at the recent session of the Diet and slated, according to one report,† to go into effect on February 1, 1946, is a distinct disappointment to ILH. Study of it reveals many objectionable features. Moreover in part it is contrary to at least the spirit if not the actual text of SWNCC 92, "Treatment of Japanese Workers' Organizations".

Our overall criticism would be that under the law as drafted Japanese labor unions are not free agents but on the contrary are subject to a considerable number of direct and indirect government controls involving matters vital to successful trade unionism. Freedom of

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<sup>69</sup> Copy of memorandum transmitted on February 14 to the War Department for comment and despatch to SCAP as State Department comment on the text of Trade Union Law 51 as received; the War Department was asked to omit the first and last paragraphs but to insert an introductory paragraph. The latter would contain the statement: "It is fully recognized that the timing and nature of any action which may be taken to implement these comments falls entirely within the scope of judgment which only the Supreme Commander and his staff are in a position to exercise." (894.5043/2-1446) See also letter to War Department of March 28, p. 185.

\*Tokyo Report No. 146, Dec. 29, 1945. [Footnote in the original.]

†F.C.C. *Daily Report*: Jan. 11, 1946, pp. BB1. [Footnote in the original.]



action and even the continuity of existence of unions will be subject to discretionary powers on the part of government administrative agencies and/or labor committees "commissioned" by them.

Specific sections of the law bearing out the above statement are as follows:

1. Article 15 states that "when a trade union frequently violates laws or ordinances and disturbs peace and order, *the Court may order dissolution of the union at the request of the Labor Relations Committee*". These committees, which are to be organized on a national, prefectural or even local basis, are to be of the usual tripartite nature with employer, employee and public representatives appointed by the "administrative authorities". While the public representatives are to be appointed "with the agreement of the representatives of the employers and workers" it is inevitable that the government agents will exercise great influence in their selection, especially in view of the last paragraph of Article 26 which states that "matters relating to the Labor Relations Committee other than that laid down in the present act shall be fixed by Imperial Ordinance".

2. Article 24 permits the Labor Relations Committee to amend the provisions of trade agreements made between trade unions and employers if they contain "inappropriate provisions". Of interest in revealing the power of the administrative authority in labor matters, though not a matter of concern to our argument here, is the fact that when a major part of the workers of a similar kind in a given locality come under the application of any trade agreement, the administrative authority may at the request of either one or both of the contracting parties extend the compulsory application of the contract to all remaining workers and employers of the same kind in the same locality.

3. Article 2 limits trade union purposes too drastically, stating *inter alia* that organizations "which principally aim at carrying on political or social movements" shall not organize under this Act. A labor movement is certainly a social movement, and political actions should not be denied to unions. It is doubtful that the word "principally" furnishes sufficient protection to unions in pursuing activities of these kinds.

4. Police, firemen and employees of penal institutions are denied the right to organize or join trade unions under Article 4. Note that this denial of the right to organize goes far beyond the disputed matter of whether such employees should have free right to strike and in fact denies these workers the right to make collective representation.

5. The rules regarding reports that must be submitted by trade unions to the administrative authorities and the degree of supervision of unions by the Labor Relations Committee (for example Articles 5-9; 19, 24) establishes an unnecessarily rigid type of bureaucratic supervision.

6. Article 14 includes bankruptcy of the union as one of the causes for which it must be dissolved while provisions of Articles 12 and 17 appear to leave unions open for possible damage suits that could lead to bankruptcy. These provisions, it would seem, not only open the way for union-busting tactics, but would seriously restrict the ability of

unions to engage in strikes since the latter are generally costly and are liable to result in empty union treasuries.

Article 12 states that "no employer shall claim indemnity from a trade union or members or officers of the same for damages received through a strike or other acts of dispute which are *proper acts*". They are, by indirection, liable for damages for improper acts, which acts might, for example, arise out of a dispute over the meaning of a clause in a contract or incidents pertaining to the conduct of a strike. Article 17, which applies certain provisions of the Civil Code to unions which are legal persons (and there is a possibility that under the law all unions become so upon filing required data), also opens the door for damage suits. Article 44 of the Civil Code which is specifically named in Article 17 of the Trade Union law as applicable to registered trade unions, states that juridical persons are liable for damage done to other persons by its directors or other agents in the exercise of their duties. Third persons, as well as employers would be able to sue unions under this provision and bankruptcy could result from large litigation costs alone. As stated earlier union security would be endangered and union-busting tactics facilitated and perhaps encouraged by such provisions. It is our belief that trade unions should not be exposed to dangers of this kind.

SWNCC 92, "Treatment of Japanese Workers' Organizations" states [Sec. 4(b)] "Legislative steps should be taken to provide legal safeguards for workers' organizations in the carrying out of legitimate trade union functions", and that [Sec. 4, (k)] "Japanese Government Agencies which have been set up or have functioned for the purpose of or in such a way as to obstruct free labor organization and legitimate trade union activities should be abolished or their powers in respect to labor revoked". The above analysis of the new law indicates that it is far from providing all the legal safeguards needed by worker's organizations in the carrying out of legitimate trade union functions and that government agencies will still be empowered to obstruct certain types of worker's organizations and to block activities which may be classified as legitimate.

Another set of criticisms of the law might be concerned with what the law *does not* do. For example there are no provisions such as are found in our National Labor Relations Act<sup>70</sup> preventing employer domination of unions as a means of controlling genuine employee organizations.† This and others of a like category may be the subjects of separate labor acts, hence it does not seem necessary to pursue this line of analysis at this time.

The new law is of course better than no law at all. It marks the first legalization of trade unions in Japan. But it fails to go far enough in freeing such organizations from the heavy hand of bureau-

<sup>70</sup> Approved July 5, 1935; 49 Stat. 449.

†Article 11 does outlaw union-membership discriminatory tactics on the part of employers. [Footnote in the original.]



cratic control. Under it unions are not free agents. They can be controlled even though pursuing legitimate objectives by legitimate means. This is the antithesis of one of our basic occupation policies which aims to encourage the development of democratic organizations in labor, industry and agriculture largely because of the contribution they are expected to make towards the building of a democratic society in Japan. Insofar as they are controlled or controllable by government they will cease to provide any real help in this direction.

It is our opinion that changes in this law should be ordered at as early a date as possible. It is also our opinion that persons familiar with the problems of trade unionism, including one or more versed in its legal aspects, should be sent to Japan as advisors to the trade unions now in process of development. Only inexperience on the part of the present leaders of Japan's unions would have permitted such a law as this Trade Union Law to go through without more vigorous protest and opposition than appears to have been made, and the presence of American advisors, providing as they would experience and moral support, should prevent repetition of the passage of laws affecting labor of such a regressive nature. The anticipated early consideration by the Japanese Diet of a labor disputes arbitration and conciliation act makes speed important here.

PHILIP B. SULLIVAN

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694.0031/12-1845

*The Acting Secretary of State to the New Zealand Chargé (Reid)*

WASHINGTON, February 1, 1946.

SIR: I refer to the Minister's note of December 18, 1945,<sup>71</sup> in which he presented the views of the Government of New Zealand with respect to the disposition of stockpiles of rubber, tin, and antimony found in Japan.

The United States Government welcomes the concurrence of your Government in the principle that commodity stocks in Japan should be subject to strict conservation measures, and the further principle that the proceeds of such stocks should be used to pay for imports of essential commodities. It is further noted that your Government has sufficient stocks of tin and antimony and would concur in the disposition of these materials proposed by the United States.

In view of the fact that, at the next meeting of the Trade Subcommittee of the Far Eastern Commission, the United States Government will present its proposal for the establishment of an Inter-Allied

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<sup>71</sup> This note was in reply to the Department's note of December 5, 1945, to Missions represented on the Far Eastern Advisory Commission. See *Foreign Relations*, 1945, vol. vi, footnote 44, p. 877.



Supply Committee whose function would be to advise on matters relating to Japanese export and import problems, it is respectfully suggested that some of the recommendations and questions raised in the Minister's note concerning general procedure might more expeditiously be discussed, in consultation with the other interested Governments, through the medium of the proposed Committee.

The proposed Inter-Allied Supply Committee will probably recommend in many instances that commodities in short world supply be exported from Japan, in accordance with the recommendations of the established allocating authorities. The United States Government believes, therefore, that the requirement of New Zealand for raw rubber should be brought to the attention of the committee responsible for allocating world stocks of this commodity.<sup>72</sup>

Accept [etc.]

For the Acting Secretary of State:  
WILLIAM L. CLAYTON

740.00119 Control (Japan), 2-146

*Memorandum by the State-War-Navy Coordinating Committee to  
the Secretary of State*

SECRET

WASHINGTON, 1 February 1946.

SWN-3813

Subject: Organization of the Allied Council for Japan.

References: a. SWNCC 256<sup>73</sup>

b. Item 10 C, 34th SWNCC Mtg.

1. At its 34th Meeting the State-War-Navy Coordinating Committee approved the recommendations contained in paragraph 2 of the enclosure to SWNCC 256 after amending the appendix thereto.

2. A copy of the approved revised paper is enclosed for necessary action by the Department of State in this matter.

3. The Joint Chiefs of Staff have been requested to transmit the message in the revised appendix to General MacArthur subject to their comments from a military point of view.

For the State-War-Navy Coordinating Committee:

H. FREEMAN MATTHEWS  
*Acting Chairman*

<sup>72</sup> Replies were made by the Department also to the Canadian Ambassador on February 7, 1946, the Agent General for India on February 12, 1946, and the Netherlands Ambassador on February 20, 1946, along somewhat similar lines; none printed.

<sup>73</sup> January 30, not printed.

[Annex]

*Appendix to SWNCC 256, January 30*<sup>74</sup>

## MESSAGE TO SCAP

SECRET

Subject is convocation of Allied Council for Japan. U.S. Government considers that it would be impracticable to organize Allied Council until Far Eastern Commission is functioning in Washington. Following is for your guidance:

1. The State Department will obtain from the governments concerned and will furnish to you the names of other representatives on the Allied Council for Japan.

2. When the Far Eastern Commission is functioning in Washington, you will be informed so that you, as chairman, may convene the first meeting of the Allied Council for Japan.

3. If the representatives designated by Russian, Chinese and British Commonwealth governments are in Tokyo, you should invite them by direct communication to participate in first meeting. If they have not yet arrived in Tokyo, your invitation should be forwarded to JCS in order that State Department may forward it to governments concerned.

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740.00119 Control (Japan)/2-446

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

No. 238

TOKYO, February 4, 1946.  
[Received February 25.]

SIR: I have the honor to transmit a memorandum<sup>75</sup> prepared by a member of the staff of this Office on the subject: "The Imperial Rescript of January 1, 1946". The Rescript was favorably received by most Allied officials and by most Japanese. Future developments in regard to the imperial institution will determine whether this New Year's Rescript is to become one of the most important official documents in Japanese history. It takes its place alongside the Meiji Charter-Oath as a foundation of Japanese governmental policy. The official text in Japanese is inclosed,<sup>75</sup> as is an official translation into English, which has been approved by the Prime Minister.<sup>76</sup>

[Here follows summary of the rescript, printed *infra*.]

The official English translation will be helpful to avoid varying interpretation such as is evident by comparison of the English texts

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<sup>74</sup> As revised January 31, 1946.

<sup>75</sup> Not printed.

<sup>76</sup> For a different translation, see *Political Reorientation of Japan*, p. 470.

published in the *Nippon Times* and the *Mainichi*. Two statements attached prepared by professors of American Institutions and Government, in Tokyo Imperial University and in Waseda University,<sup>77</sup> give informed and thoughtful analysis of the Rescript. Dr. Takagi is serving as adviser to a cabinet committee planning the revision of the Japanese Constitution and has just been appointed to the Japanese Liaison Committee on Education. Both professors are authors of well known books.

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer in Charge*

[Enclosure]

*Official Translation of Imperial Rescript, January 1, 1946*

Today we greet the New Year. My thought goes back to the beginning of the Meiji Era when Emperor Meiji proclaimed the Five Clauses of the Charter-Oath as the basis of our national policy. It reads:

1. Deliberative assemblies on a wide scope shall be convened, and all matters of government decided by public opinion.
2. Both the high and the low shall with a unity of purpose vigorously engage in the conduct of public affairs.
3. All the common people, no less than the servants of state, civil and military, shall be enabled to fulfill each his just aspirations, lest discontent should infect their minds.
4. All the evil practices of the past shall be eliminated, and the nation shall abide by the universal rules of justice and equity.
5. Wisdom and knowledge shall be sought throughout the world to promote the prosperity of the Empire.

What more need be added to these open and lofty precepts? By reaffirming the Oath, I desire to direct the future course of our national fortunes. It is my wish that on the lines so indicated, old abuses shall be discarded, full play be allowed to popular will, all officials and people be whole-heartedly given to the pursuit of peace, and enriched culture and learning be attained, and the standards of living of the people be elevated. Thus shall a new Japan be constructed.

Devastations wrought by the war upon our cities and towns, the miseries of its victims, the stagnation of industries, the shortages of food, and the great and growing numbers of the unemployed are sorely heart-rending. But as long as the nation faces indomitably the present ordeal, remains firm in its determination to seek civilization consistently in peace, and preserves the perfect accord to the end,

<sup>77</sup> Neither printed.



there is no doubt but that a glorious prospect will be revealed not only for our country but for the whole humanity.

Love of the family and love of the country are particularly strong in our land. With no less devotion should we extend this spirit, and dedicate ourselves to the love of mankind.

The protracted war having ended in defeat, our people are liable to become restive or to fall into utter despondency. The extremist tendencies appear to be gradually spreading, and the sense of morality is markedly losing its hold on the people. In effect, there are signs of confusion of thought, and the existing situation causes me deep concern.

I stand by my people. I am ever ready to share in their joys and sorrows. The ties between me and my people have always been formed by mutual trust and affection. They do not depend upon mere legends or myths. Nor are they predicted on the false conception that the Emperor is divine, and that the Japanese are superior to other races and destined to rule the world.

My government will leave no stone unturned to alleviate the trials and tribulations of the people. At the same time, I trust that my people will rise to the occasion, and strive courageously for the development of industry and culture as well as for the solution of their more immediate problems. If in their civic life my people maintain solidarity, practice mutual aid and assistance and foster the spirit of broad tolerance, they will prove themselves worthy of their best traditions. In this manner, our nation will undoubtedly render a signal contribution toward the welfare and advancement of mankind.

The planning for the year is made at its commencement. I confidently hope that my beloved people will unite with me in my present resolve, and that they will dauntlessly and unflinchingly march onward for the accomplishment of the great undertaking which now confronts the nation.

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740.00119 FEAC/2-946 : Telegram

*The Counselor of Embassy in China (Smyth) to the Secretary of State*

RESTRICTED

CHUNGKING, February 9, 1946—9 a. m.

[Received 4:10 p. m.]

252. Substance of Dept's 121, Jan 18<sup>78</sup> was conveyed to Foreign Office. Embassy has now received reply from Foreign Office dated Feb 7 stating

"The Chinese Govt now expresses its willingness to cooperate with the various nations in the direction of enhancing the activities of the

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<sup>78</sup> Telegram 121, January 18, quoted from telegram 150, January 17, from Moscow, (p. 111) for the information of the Chinese Foreign Office.

Far Eastern Commission and is prepared to hold common discussion with the Allies in regard to any relevant steps proposed to be taken."

Sent Dept as 252, Feb 9, 9 a. m.

SMYTH

740.00119 Control (Japan)/2-946

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

SECRET

No. 243

TOKYO, February 9, 1946.

[Received February 18.]

SIR: I have the honor to forward copy of a memorandum <sup>79</sup> analyzing the strategy of the Japan Communist Party (*Kyosan-to*), which is based upon an interrogation, on January 31, 1946, of Nosaka Sanzo, Communist leader in Japan, by General Headquarters.

Attention is particularly invited to the long-range aspects of Communist strategy in Japan and its similarity, along ideological lines, to the policies practiced by the Bolsheviks upon seizing control in Russia. It is also to be observed that tactics of the Japan Communist Party call for compromises when necessary, but that its infiltration into labor organizations is conducted along strictly Party lines.

A recent interview by a staff member of this Mission with an influential member of the Cooperative Party (*Kyodo-to*) elicited information to the effect that relatively small numbers of Communists acting as a unit, are exercising a disproportionate influence upon the activities of various unions in Hokkaido, particularly the Miners' Union. This information would appear to substantiate the reported desire of the Communists to enter the Peasants' Union (*Nomin-Kumiai*) as a group rather than as individual members.

In short, the tactics of the *Kyosan-to* do not vary from those generally observed in other areas of Communist Party operations, namely, a concerted effort to infiltrate organized bodies, particularly Labor Unions, with the ultimate aim of seizing control at the earliest practicable opportunity. Once sufficient power has been obtained, complete Communization of the country remains the ultimate objective of the Party. Although they hope to achieve their aim peacefully, Nosaka's reference to Lenin's experience in Moscow in 1917 makes it abundantly clear that from a Communist viewpoint, under certain circumstances seizure of power by force may be not only necessary, but fully justified.

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

<sup>79</sup> Not printed.

740.00119 Control (Japan)/2-946

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

No. 246

Tokyo, February 9, 1946.

[Received February 22.]

SIR: I have the honor to refer to the Department's telegram No. 123, February 6 [5], 1946,<sup>80</sup> requesting copies of recently published proposals for the revision of the Japanese Constitution, and to our answering secret telegram No. 90, February 9, 1946,<sup>81</sup> and to enclose translations of published draft revision plans<sup>81</sup> prepared by the Japan Federation of Bar Associations, the Japan Communist Party, and Dr. Takano Iwasaburo, noted liberal writer and adviser to the Social Democratic Party.

The Federation of Bar Associations' draft provides for a number of important changes—e.g., abolition of the Privy Council and the peerage, reorganization of the membership of a renamed House of Peers, abolition of the Emperor's prerogatives respecting Supreme Command and military organization, Diet approval of treaties, and the clearly stated responsibility of the Cabinet to the Diet—but is little more than a sketch, leaving the reader with the impression that the problem has not been fully thought through. The Communist draft is even sketchier, merely indicating a direction of thinking. Dr. Takano's plan, calling for the adoption of a republican form of government, occasioned considerable press comment at the time of publication and is the most detailed of the three, but even it leaves much to be desired as a finished legal document. It might be noted that 137, or 5.6 percent, of 2,400 replies received to a recent public opinion poll favored institution of a republican form of government. It is difficult to say what proportion of this small percentage were guided by a considered appraisal of the Japanese situation, and how many by a desire, typical in the Japanese, to emulate successful systems or devices from abroad.

As stated in our reference telegram, the draft constitution revisions presently being drawn up by the Social Democratic and Progressive Parties will be forwarded with our comments immediately they become available, and also any other material which it is believed may be of interest to the Department in its consideration of the general subject of Japanese governmental reform.

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

<sup>80</sup> Not printed.

<sup>81</sup> None printed.



740.00119 Control (Japan)/2-1146

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

No. 247

Tokyo, February 11, 1946.

[Received February 22.]

SIR: I have the honor to enclose copy of a memorandum on the above subject<sup>82</sup> by a member of the staff of this Mission prepared as of possible value to a consideration of the Japanese Government's Constitution revision proposals expected to be announced the end of this month.

It is brought out in the memorandum that the fundamental attachment of the masses for the Emperor remains as strong today as in the past, if not stronger, but that the synthetic, never fully accepted doctrines of "State Shinto" built up during recent decades have fallen away with unexpected rapidity and with no appearance of any regret. An estimated 90 to 95 percent of the general population support retention of the emperor institution in some form, and all except a very small proportion of the educated and ruling classes are of the same view, some for reasons of purely personal advantage but others from a genuine conviction that democracy will develop on a sounder basis under the institution than without it.

This memorandum does not attempt a political analysis of the complex "Emperor problem", but is merely an examination of the attitudes of the Japanese toward the Emperor. There has been observed by officers of this Mission an effort on the part of Japanese of diverse backgrounds to present the case for retention of the Emperor, suggesting the possibility of a directed program. While support of the Emperor is almost universal, such support should not be allowed to obscure the fact that the Japanese expect and for the most part will welcome changes in the official status and position of the Emperor.

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

894.5043/3-2846

*Memorandum by Mr. Harold S. Roberts, of the Department of Labor,  
to the Associate Chief of the Division of Labor, Social, and Health  
Affairs (Holland)*

CONFIDENTIAL

[WASHINGTON,] February 13, 1946.

TRADE UNION LAW OF JAPAN<sup>83</sup>

In response to your request, we have examined the Trade Union Law #16 passed by the recent 89th Imperial Diet and promulgated on December 21, 1945.

<sup>82</sup> "Current Japanese attitudes on the Emperor institution", not printed.

<sup>83</sup> Cf. memorandum of January 31 by Philip B. Sullivan, p. 128. For letter to the War Department, March 28, see p. 185.

We are setting forth our specific reactions to each of the provisions in the law as well as suggestions for revision and, in some instances, proposals for complete substitution for existing provisions.

### *General Observations*

1. The character of the entire bill is such that it will seriously limit the right as well as the ability of workers to organize in trade unions. This would appear to be contrary to the purpose of promulgating a trade union law at this time.

2. The bill establishes too many broad restrictions such as provisions for registration and penalties for failure to comply with the requirements set forth. At some future stage in the development of the trade union movement in Japan, it might be desirable to afford the unions an opportunity to register on a voluntary basis as is done by British trade unions. It might also be desirable at such future time to require unions to submit general information. However, the present need is to encourage workers to organize, and any requirements for detailed reporting as well as the exercise of such administrative controls would seriously hamper whatever organizational desire may exist.

3. The bill places too much power in the hands of the administrative authorities. Although it may be desirable for the existing government to develop a policy which would permit the growth of trade unions, it might also provide the administrative authorities with a strangle-hold over the trade unions which would make the trade unions largely a tool of the government. This would be a serious problem when the occupation forces are withdrawn. Detailed control as now provided would prohibit the growth of a free trade union movement with opportunity to develop along the lines desired by the Japanese workers. Some administrative guidance will be necessary, but it should be guidance, and not control.

4. The structure of the Labor Relations Committee is rather nebulous. There is indication of neither the extent to which the national committee is to determine policy nor the relationship between the local and national committees, particularly regarding review of local committee actions. The committees should operate so far as possible independently of any control by the administrative authorities. This is especially true with reference to the national committee which, to assure its effectiveness, must maintain a reputation for objectivity and must render labor policy-making decisions.

5. The bill covers too much ground in a vague manner; it touches on mediation and arbitration without establishing such machinery in detail. Provisions concerning dispute adjustment should either be omitted entirely from the bill or should be broadly expanded.

Suggestions for specific mediation and arbitration procedures are included in our analysis of the relevant articles of the bill.

[Here follows a detailed analysis of 37 articles.]

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740.00119 Control (Japan)/2-1546

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

CONFIDENTIAL

No. 257

Tokyo, February 15, 1946.

[Received February 25.]

SIR: I have the honor to forward as an enclosure an analysis<sup>84</sup> of the left-wing faction of the Social Democratic Party, prepared in the General Headquarters, United States Army Forces, Pacific.

The enclosure is an excellent presentation of one of the major problems facing the leadership of the Social Democratic Party. It describes the left-wing faction as a loosely organized group of traditional leftist-socialist elements who, with their small former Labor-Farmer Party membership as a spearhead, are enabled to infiltrate the Social Democratic Party. According to the analysis, the aim of the left-wing faction appears to be to effect a radical change in the character of the Social Democratic Party by transforming it into a militant proletarian party. By espousal of the Communist-proposed "popular front" program, the left-wing in effect constitutes an arm of the Communists within the Social Democratic Party, thus embarrassing the leadership of the latter.

It is evident that the Social Democratic leadership is faced with the prospect of an eventual schism, caused primarily by conflicting personalities and differences of ideological views. It would appear that the Cabinet's clarification of policy regarding SCAP's purge directive of January 4, as announced on February 9, will further increase the relative influence of the left-wing faction through the probable elimination of several influential right-wing members.

Interviews with five unaffected right-wing members of the Central Executive Committee have brought forth further information concerning this factional strife. These members stated that some fifteen percent of the 110 members of the Central Executive Committee, and four of the thirteen members of the Standing Executive Committee are under Communist influence. (This represents a far larger proportion than would be justified, as yet, by the relative proportion of the rank and file who espouse Communist theories.) The Communist-influenced members of the latter committee were named as Kato Kanju,

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<sup>84</sup> Not printed.



Mizutani Chosaburo, Suzuki Mosaburo, and Kuroda Hisao. The right-wing members interviewed evinced considerable sensitivity to and irritation at implications concerning their motives as portrayed in the leftist press. They sensed a plot on the part of the Communists to infiltrate the rank and file of unions controlled by right-wing members, with the object of seizing eventual control of the Social Democratic Party. They stated that the leadership of the Party would be strengthened by a clear-cut victory at the polls, an eventuality which appears less likely if the Cabinet's announced policy regarding implementation of the January 4 directive is literally enforced.

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

740.00119 Control (Japan)/2-1946

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

CONFIDENTIAL

TOKYO, February 19, 1946.

No. 265

[Received March 7.]

SIR: I have the honor to enclose a copy of a "Report of Interview"<sup>85</sup> with Nosaka Sanzo conducted by the Government Section of General Headquarters, Supreme Commander for the Allied Powers.

Mr. Nosaka stated that the Communist Party is still weak; that membership is "wide open" with special appeals made to young people and women; that Communist influence is wider than actual membership, especially among industrial workers, intellectuals and tenant farmers; that initial Communist strategy was not efficient, as adequate attention to the necessity for working with other people was not given; that the ultimate goal is a Communist state to be preceded by a "democratic organization of Japan"; that except for land, he does not favor expropriation of property at the present time; that the Imperial dynasty might be continued or abolished in accordance with the will of the people but in any case should be stripped of all political power; that the present Emperor must accept war responsibility; that the Japanese Communist Party has no connection with Moscow leaders and has no funds or advice from Soviet Russia; and that political parties represent class interests, hence, as long as there are rival classes in Japan, there may be rival parties, but when the Communists have achieved success and only one class remains, only "one party will be necessary". To this statement, Mr. Nosaka might have added "or permitted". In conclusion, it was stated that the Communist Party

<sup>85</sup> Not printed.

plans to hold a congress beginning February 24 to draft further policy and strategy.<sup>86</sup>

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

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740.00119 Control (Japan)/2-2146: Telegram

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan, to  
Secretary of State*

[Extracts]

RESTRICTED

Tokyo, February 21, 1946.

[Received February 24—7:06 p. m.]

114. February 14 through 20 political summary. Including blocking of all non governmental bank deposits as of February 17, this government promulgated series of drastic economic emergency measures; imperial properties remain under special control of SCAP.

Favorable press and public reaction but with widespread concern Shidehara Government lacked public confidence and capacity for carrying out program. In this points of criticism included (1) provisions in regard to improved distribution and increased production weak compared to currency reforms; (2) before conditions reached present status, program should have been instituted; (3) as evidenced by delay in implementation, program favors the rich and permits wealthy to protect themselves and fails in cancelling war indemnities and suspending war bond payments; (4) unenforceability of anti-hoarding provisions may bring about large scale bartering especially with the accumulated supplies of the rich (excepting Communists who said of reforms: "nothing but another forcible suppression of the masses" and asked again government resign). Principal parties, while pointing its weaknesses, supported the program and called on people to help make it work. Releases from headquarters stated measures were prepared in response to SCAP expressed dissatisfaction over government distribution and anti-inflation controls, and that SCAP would insist fundamental personal rights not be infringed in course of implementation.

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<sup>86</sup> John K. Emmerson of the Division of Japanese Affairs on March 13 in an attached memorandum commented: "In an interview with Nosaka in Tokyo on January 30, I gained the distinct impression that he was genuinely discouraged with present leadership of the party in Japan. He deplored the death in prison of several outstanding party members and indicated that he felt it would take some time to educate and develop new capable and effective leaders." (740.00119 Control (Japan)/2-1946)



Kobayashi, Minister, informed Premier of resignation intention. Government plan to request exemption, Ogasawara and Matsumoto, occasioned strong popular criticism. The Premier confirmed that 1942 "recommended candidates" would be denied eligibility certificates and even hoped non recommended former members of the Diet would refrain from running.

SCAP. General MacArthur made public the appointment of nine members of International Military Tribunal, Sir Wm. Webb, Australia, President. He ordered establishment of role system of military occupation courts to try specified offenses against the occupation such as unauthorized dealings in American goods and to assume jurisdiction of criminal cases which involve United Nations nationals unconnected with the forces of occupation. The government made responsible for equitable distribution flour from Manila (1000 tons), all future food imports, ordered to submit full accounting of such distribution. SCAP spokesman announced initiation of 5 year governmental program for expanding cultivated area by 3.8 million acres, mainly by reclaiming former military lands. SCAP told government it could see no objection to the Cabinet bill motivated by the SCAP directive, 6 November, which forbade Japanese to participate in international cartels of restrictive international trade agreements. The expert in SCAP fisheries urged increased production seed oysters and agar-agar in demand abroad. The government was ordered to register all Formosans, Ryukyuan, Chinese and Koreans resident in Japan with indications of each individual desire re repatriation, and to correct unsanitary conditions and other deficiencies at repatriation centers. Chief of Education and Information Section released a report which summarized measures for rehabilitation and reform of Japanese education during past 4 months. Principles to guide allocation of radio time for campaign purposes outlined by SCAP spokesmen.

Parties. The situation, political, continued confused as major parties, abandoning the hope that the government's purge order might not be strictly enforced, began to reorganize party structures to revise campaign plans and select new candidates in accord with the new situation. President Machida, Progressive, and 16 directors, except Saito Takao, resigned following report that the government had decided to prohibit purgees from keeping political party leadership. The acting party head Saito stated new directors would be appointed and present platform and policies retained. He anticipated there would be no difficulty in securing new candidates and was confident Progressives would emerge majority party. This office thinks the Progressives' constitution revision proposals, published 15 February, surprisingly



liberal. They include placing of popular check over imperial prerogatives; Lower House supremacy; replacement of House of Peers by a partially elected Chamber of Councillors; "Prime Minister and State Ministers responsible to Diet"; abolition of Peerage and Privy Council; Diet approval of important treaties; and a Supreme Court with power of ruling on legislation constitutionality.

Liberals and Progressives denied intention of forming united front although Hatoyama <sup>87</sup> indicated after elections such might be possible. Socialist left wing['s] relative power still indeterminate, following the disqualification of some right wing leaders, [and] reportedly decided to resign their party positions. Funada and Kurosawa, Cooperative leaders, and entire Executive Committee excepting Ikawa Dado <sup>88</sup> disqualified. Reportedly planning to sponsor 200 candidates the Communists pressed their advantage urging even more extensive purges. Nosaka "invaded" Osaka-Kobe-Kyoto region considered Social Democratic stronghold to promote Communist-dominated unions and increase among Kansai labor generally Communist following.

It was feared by some elements that some experienced parliamentarians would be barred by purge order from elections, including men of liberal reputation over long years in leadership of Jap labor movements and would be badly missed in the next Diet with "new man" who replaced them being for the most part prefectural assembly bosses of frequently less and certainly no more liberal viewpoint and definitely inferior quality. Resulting from freezing regulations proletarian parties expected to benefit from smaller campaign expenditures.

Sent Department, repeated Chungking as our 14 and 13 to Moscow.

BISHOP

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740.00119 PW/2-2246

*Memorandum by the Secretary of State to President Truman*

TOP SECRET

WASHINGTON, February 22, 1946.

This <sup>89</sup> is similar to the document I recently submitted to you. I am proposing to submit this draft to UK, USSR and China. I have not included France. Will talk to you about it.<sup>90</sup>

J[AMES] F. B[YRNES]

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<sup>87</sup> Ichiro Hatoyama, leader of Liberal Party.

<sup>88</sup> Tadao Ikawa (or Wikawa) had taken part in informal conversations regarding American-Japanese relations in 1941.

<sup>89</sup> See draft treaty, quoted in telegram 348, February 28, 3 p.m., to Moscow, p. 152.

<sup>90</sup> President Truman wrote his reply in the margin of this document as follows: "Jim:—I [am] very anxious that our place in Pacific affairs should be a dominant one in the peace as it has been in the war. H.S.T."

740.00119 Control (Japan)/2-2246

*Memorandum by the Chief of the Division of Eastern European Affairs (Durbrow)*

[WASHINGTON,] February 22, 1946.

On the basis of reports received from Tokyo it appears that the military authorities there have not as yet inaugurated any system of control covering the entry into Japan of Soviet and other officials, particularly those who may be coming in connection with the work of the Control Council.

I have talked to Mr. George Atcheson and Brigadier General William Ritchie who have just returned from Japan and they inform me that Soviet planes carrying a comparatively large number of Soviet officials land at Japanese airports without any prior notification. Furthermore, it is not known what functions the persons coming on these planes are to perform and, in fact, their ultimate destination in Japan is, as a rule, not known. Yesterday it was learned by telephone that the Navy Department had received a message from the U.S. Naval Observer at Vladivostok stating that two frigates (lend-lease vessels we had turned over to the Soviets) had left Vladivostok with a large number of persons on board, for an unknown destination in Japan. The Naval Observer stated that as far as he was aware, they had not notified General MacArthur that they were coming, nor had they obtained any prior clearance before departing.

This question was discussed with Mr. Harriman<sup>91</sup> who informed me that it was his belief that since Stalin had stated that the Control Council in Japan should function in a similar manner to those in the Balkans, it would be advisable to suggest to General MacArthur that for his own protection it would be advisable for him to put in a control system for the entry of all foreign officials into Japan similar to the Soviet control system in the Balkans. Mr. Harriman feels that if this is not done and difficulties arise later, it may be difficult then to inaugurate a control system. He pointed out that this does not mean that we necessarily should apply the control system in Japan in such an arbitrary manner as the Soviets have applied their system in the Balkans but that if it should be deemed advisable at any stage to tighten the controls, it would be possible, once they had been put into effect.

The inauguration of such a control system, whether it is applied lightly or firmly, would in all probability assist in obtaining a relaxation of the difficulties encountered by American officials in the Bal-

<sup>91</sup> W. Averell Harriman's resignation as Ambassador to the Soviet Union was accepted by President Truman on February 14.

kans as outlined in General Crane's<sup>92</sup> recent telegram. The War Department has informally advised the Department that if word is received from the State Department that we think it advisable to put in a control system in Japan, the War Department will make such a suggestion to General MacArthur.<sup>93</sup>

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740.00119 Control (Japan)/2-2546

*Memorandum by the State-War-Navy Coordinating Committee to  
the Secretary of State*

WASHINGTON, 25 February 1946.

SWN-3920

Subject: Basic Directive for Post-Surrender Military Government  
in Japan Proper.

References: a. SWNCC 52/8/D  
b. SWNCC 52/9  
c. SWNCC 52/10

By informal action on 25 February 1946 the State-War-Navy Coordinating Committee approved SWNCC 52/9, a copy of which is enclosed.<sup>94</sup>

In approving this paper the Committee agreed that the original and revised instructions of the Joint Chiefs of Staff to General MacArthur recommended by the State-War-Navy Coordinating Committee be made available to the Far Eastern Commission.

It is requested that these instructions, contained in Appendices "A" and "B" of the approved paper, be transmitted to the Far Eastern Commission by the State Department.<sup>95</sup>

The Joint Chiefs of Staff on 14 February 1946 advised General MacArthur that the messages contained in Appendices "A" and "B" were being made available to the Far Eastern Commission.

For the State-War-Navy Coordinating Committee:  
H. FREEMAN MATTHEWS  
*Acting Chairman*

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<sup>92</sup> Maj. Gen. John A. Crane, U.S.A., U.S. member on Allied Control Commission for Bulgaria.

<sup>93</sup> Notation by the Secretary of State: "I approve suggestion as to Controls. J.F.B."

<sup>94</sup> February 1, not printed.

<sup>95</sup> These papers were transmitted on March 4.



## [Annex 1]

## APPENDIX "A"

## RADIO TO SCAP FROM JOINT CHIEFS OF STAFF

SECRET

SWNCC 52/9 <sup>96</sup>

Warx 88780

Review of the Japanese situation with respect to atomic energy by the State, War and Navy Departments indicates the following amplification of the policy in Warx 79907: <sup>97</sup> Release from custody of Japanese scientists formerly engaged in atomic energy research is authorized. Guarding of Japanese laboratories is no longer required and normal entry of Japanese may be allowed. The prohibition of research activities on atomic energy should be continued. A register of all scientists, instructors, and students familiar with atomic energy research should be made and periodic physical checks should be made on their activities and all laboratories in which atomic energy might be studied. All stocks of uranium and thorium should be impounded. No publicity is to be given these instructions without further directions from the Joint Chiefs of Staff.

## [Annex 2]

## APPENDIX "B"

## PARAPHRASE OF RADIO TO SCAP FROM JOINT CHIEFS OF STAFF

SECRET

SWNCC 52/9 <sup>98</sup>

Warx 79907

Policy for research on atomic energy is subject.

Research activities on atomic energy or related matters should not be permitted in Japan. All persons engaged in such research will be taken into custody and all facilities for research on atomic energy or related matters shall be seized. Report with full information regarding the action taken and the results thereof will be made to the Joint Chiefs of Staff.

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[For address by Secretary of State James F. Byrnes before the first meeting of the Far Eastern Commission at 10:30 a. m., on February 26 in Washington, released to the press on the same day, see Department of State *Bulletin*, March 10, 1946, page 378.]

<sup>96</sup> As revised February 8, 1946.

<sup>97</sup> *Infra*.

<sup>98</sup> As revised February 8, 1946.

740.00119 Control (Japan)/2-2246

*The Secretary of State to the Secretary of War (Patterson)* <sup>99</sup>

WASHINGTON, February 26, 1946.

MY DEAR MR. SECRETARY: The Soviet Embassy in Washington recently requested authorization to send twenty-nine persons to Tokyo in connection with the work of the Soviet delegation on the Control Council. This group consisted of nine economists and twenty members of their families.

When the request was made, it was explained to the representative of the Embassy that since we were not permitting the members of the families of American officials to proceed to Japan at the present time, it might be difficult to obtain permission for members of the Soviet families to proceed there. Subsequently, the Embassy reduced the number of persons for whom permission was requested to seven economists and thirteen members of their families. According to information received from the Navy Department, the United States Naval Observer at Vladivostok has reported that two vessels recently left that port for an unknown destination in Japan, each carrying a considerable group of Soviet officials who are presumably also to be members of the Soviet delegation on the Control Council.

In view of the housing and food shortage in Japan and in view of the fact it is felt to be in General MacArthur's interest as Supreme Commander to guard against future difficulties, it would be advisable for him to have prior knowledge of the number of officials or other foreigners who may be coming to Japan. It is suggested, therefore, that the War Department may care to request that the Joint Chiefs of Staff inform General MacArthur that it would be advisable for him to institute a system of controls regarding entry, travel, and residence of foreigners in Japan.

In this connection, it will be recalled that Generalissimo Stalin in discussing the control machinery in Japan informed Ambassador Harriman that he envisaged the establishment in Japan of control

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<sup>99</sup> The Chief of Staff quoted this letter in his telegram War 99831, March 6, 1946, to General MacArthur and then added: "It is understood that Mr. Harriman discussed this problem with you when he was in Japan. Our representatives have experienced extreme difficulties in dealing with the Russians in the Balkans. Your comments and recommendations are wanted." (740.00119 Control (Japan)/3-646.) On March 8, 1946, Secretary Patterson replied: "Because of the profound importance of the step contemplated, we are discussing the matter with General MacArthur and hope to inform you in the near future of any definitive action which may be taken." (740.00119 Control (Japan)/3-846.) On March 15, 1946, Secretary Patterson wrote: "The War Department concurs in your suggestion. Since receipt of your letter, members of the Operations Division, War Department General Staff have been in contact with Mr. Durbrow of your Department, and details of the plan and instructions to General MacArthur will be worked out with that officer and such other officers of your Department as required." (740.00119 Control (Japan)/3-1546.)

machinery similar to that put into effect by the Soviet Government in the Balkans.<sup>1</sup> It is felt, therefore, that General MacArthur should set up a system of controls along the general lines of those applied in the Balkans. This does not necessarily mean that we would have to apply the controls in the uncooperative manner used by the Soviet authorities, but if any abuses should develop the controls, of course, could be applied more rigidly.

If the War Department concurs in this suggestion, the detailed instructions to General MacArthur could be worked out between representatives of the State and War Departments.

Sincerely yours,

JAMES F. BYRNES

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894.5018/2-2646

*The Chief of the Division of International Resources (Kennedy)  
to the Director of the Office of Requirements, Department of Agriculture (FitzGerald)*

WASHINGTON, February 26, 1946.

MY DEAR MR. FITZGERALD: Data relating to Japanese food requirements in general and the State Department's analysis of these data have been examined by representatives of the Departments of State, War, and Agriculture. There is general agreement that the food situation in Japan will be extremely serious in the spring and summer. More specifically, there is agreement that the State Department's estimate of 800 calories per day from indigenous resources for non-farm population during the crop year 1945-1946 is not unreasonable. The range of error, however, might be plus or minus 200 calories, which is somewhat greater than the error in estimates for western European countries. There is less certainty about the estimates of the rate of current consumption on the basis of which the State Department estimates, and the Army agrees that sometime in April indigenous supplies for non-farm population will be largely exhausted. However, there is complete agreement that the daily indigenous availability for urban consumers will dwindle during the coming months.

The Department of Agriculture believes that the exact date on which a drastic cut in rations will be necessary cannot be established sufficiently clearly from available data for final allocation purposes. All participants agreed that we can and should get more exact information. Conditions in the theatre, however, may postpone the receipt of such information for three weeks. Representatives of the Depart-

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<sup>1</sup> For conversations on October 24 and 25, 1945, at Gagri, see memoranda of those dates by the First Secretary of Embassy in the Soviet Union (Page), *Foreign Relations*, 1945, vol. VI, pp. 782 and 787, respectively.



ment of Agriculture feel that a better estimate can be made of the date of exhaustion of indigenous stocks available for rationing, and of the absolute minimum needs if the theatre furnishes up to date estimates on stocks, probably four months collections of indigenous supplies and quantities required to maintain ration levels. The State and War Departments have agreed to expedite such a request. In the meantime, the Cabinet must consider the consequences indicated for the occupied areas if the present programming continues unchanged.

The Department of State, on the basis of its review of the data and its discussions with the Departments of War and Agriculture, feels that its analyses are sufficiently reliable to portray the seriousness of the situation and to serve as a basis for general policy determination. It recommends that of whatever amount the Cabinet tentatively decides can go to Japan in the next four months (a total which will be unavoidably small and well below the most conservatively estimated requirements), a proportionate share be scheduled for shipment in March. This would be without prejudice to adjustments agreed to on the basis of more complete data.

Sincerely yours,

DONALD D. KENNEDY

740.00119 PW/2-2746

*Memorandum by the Secretary of State to President Truman*

TOP SECRET

WASHINGTON, February 27, 1946.

Subject: Peace Treaty regarding Japan

I will hold the proposed treaty as to Japan until I have a chance to talk further with you. I do this because of your statement that our place in Pacific affairs should be a dominant one in the peace as in the war. I want to be certain that we are in agreement.

In the ordinary course of events a peace treaty will be agreed to. Presumably, we will then withdraw our troops from Japan. The proposed treaty would provide the method of control to be thereafter exercised by the four Governments.

The only way in which we could have a dominant position in Japan in the days following the adoption of a peace treaty would be to provide for the continued occupation by our troops, or by troops of the four Governments under the direction of our Government. I am convinced the other Governments will not agree to this latter suggestion. They agreed to our appointment of a supreme commander only for the purpose of accepting the surrender of the Japanese and directing the administration pending a peace conference.

I think we have to decide whether after a peace conference we will withdraw all troops from Japan or whether we will provide for an

army of occupation for an indefinite period and the composition of such army or whether we will adopt the alternative plan suggested in the proposed treaty.

740.00119 Control (Japan)/2-146

*Memorandum by the Acting State Department Member of the State-War-Navy Coordinating Committee (Matthews) to the Committee*

[WASHINGTON,] February 27, 1946.

References: SWNCC 256—30 January 1946

War 96658—11 February 1946 to General MacArthur from the JCS regarding convocation of Allied Council for Japan <sup>2</sup>

It is suggested that the JCS be requested to transmit a message along the lines of the enclosure (Appendix) to General MacArthur, subject to their comments from a military point of view.

H. FREEMAN MATTHEWS

[Annex]

#### APPENDIX

#### MESSAGE TO SCAP

Reference War 96658 convocation of Allied Council for Japan.

(1) Governments concerned have informed State Dept that representatives on the Allied Council will be as follows: U.S.S.R. representative, Lt. Gen. K. N. Derevyanko; Chinese representative, General Chu Shih-ming; member representing jointly the U.K., Australia, New Zealand and India, Mr. William McMahon Ball, citizen of Australia.

(2) Far Eastern Commission met in Washington on February 26 and you should therefore convene first meeting of Allied Council for Japan in accordance with War 96658.

740.00119 P.W./2-2846: Telegram

*The Secretary of State to the Counselor of Embassy in China  
(Smyth) at Chungking*

TOP SECRET

WASHINGTON, February 28, 1946—3 p. m.

US URGENT

365. For General Marshall: <sup>3</sup> I desire you to communicate to Wang Shih-chieh <sup>4</sup> draft treaty on Japanese disarmament set out in

<sup>2</sup> Not in Department files.

<sup>3</sup> General of the Army George C. Marshall, Special Representative of President Truman in China, with personal rank of Ambassador.

<sup>4</sup> Chinese Minister for Foreign Affairs.

my immediately following telegram No. 366.<sup>5</sup> Explain this is working draft and that I will be glad to receive any suggestions. Inform him that I am also sending the draft to Bevin<sup>6</sup> and Molotov. Request Wang Shih-chieh to treat this matter as top secret. For your information a similar draft treaty on Germany has been sent to Bevin, Molotov, and Bidault.<sup>7</sup> Article I of draft is based upon Declaration of June 5, 1945 promulgated by Supreme Commands of Soviet Union, United Kingdom, France and United States, entitled Declaration Regarding Defeat of Germany and Assumption of Supreme Authority by Allied Powers.<sup>8</sup> Send your message this subject top secret for me.

BYRNES

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740.00119 P.W./2-2846 : Telegram

*The Secretary of State to the Chargé in the Soviet Union (Kennan)*<sup>9</sup>

TOP SECRET

WASHINGTON, February 28, 1946—3 p. m.

US URGENT

347. Top secret for Kennan from the Secretary. I desire you to communicate to Molotov draft treaty on Japanese disarmament set out in my immediately following telegram No. 348. This draft is similar to but not identical with the draft treaty on German disarmament recently submitted to Molotov. Modifications considered either necessary because of different circumstances in Japan or desirable minor improvements on draft of German treaty. Explain this draft like that on Germany is working draft only and that I will be glad to receive suggestions. Inform him that I am also sending this draft treaty on Japan to Bevin and Wang Shih-chieh.<sup>10</sup> I desire that this treaty also be handled in strictest confidence. Send your messages this subject top secret for me.

BYRNES

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740.00119 P.W./2-2846 : Telegram

*The Secretary of State to the Chargé in the Soviet Union (Kennan)*<sup>11</sup>

TOP SECRET

WASHINGTON, February 28, 1946—3 p. m

US URGENT

348. Eyes only for Kennan from the Secretary. Following is draft treaty mentioned my message No. 347 immediately preceding.

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<sup>5</sup> See telegram 348, February 28, 3 p. m., to Moscow, and footnote 11, below.

<sup>6</sup> Ernest Bevin, British Secretary of State for Foreign Affairs.

<sup>7</sup> Georges Bidault, French Minister for Foreign Affairs.

<sup>8</sup> Text in Department of State *Bulletin*, June 10, 1945, p. 1051.

<sup>9</sup> Same sent as 1863 to London.

<sup>10</sup> See *supra*.

<sup>11</sup> Same sent as 366 to Chungking and 1864 to London.



## DRAFT TREATY ON THE DISARMAMENT AND DEMILITARIZATION OF JAPAN

## PREAMBLE

The Governments of the United Kingdom, China, the Union of Soviet Socialist Republics and the United States have declared their intention to effect the total disarmament and demilitarization of Japan. This intention was expressed in the Potsdam Declaration of July 26, 1945. In substantial measure, it has already been fulfilled. Nothing shall prevent the completion of the process. It remains to ensure that the total disarmament and demilitarization of Japan will be enforced as long as the peace and security of the world may require. Only this assurance will permit the nations of Asia and the world to return singlemindedly to the habits of peace. To achieve this objective, the governments of the United Kingdom, the Republic of China, the Union of Soviet Socialist Republics, and the United States agree to engage in the common undertaking defined in this treaty.

## Article I

The High Contracting Parties agree that they shall take steps jointly to ensure that:

(a) All Japanese armed forces, including land, air, anti-aircraft and naval forces, all para-military forces, such as the *Gendarmerie* (Kempei Tai), the Garde Mobile (Keipei Tei) and the Special Police (Tokka Ka), and all organizations auxiliary to the foregoing shall be and shall remain completely disarmed, demobilized and disbanded.

(b) The Japanese Imperial General Headquarters, the staffs of the Army and the Navy, and the staffs of any para-military organizations shall be and shall remain disbanded.

(c) No Japanese military or para-military organizations in any form or guise shall be permitted in Japan.

(d) The manufacture, production, or importation of military equipment in Japan shall be prevented. In particular, the High Contracting Parties shall prevent the manufacture, production, or importation of:

(1) All arms, ammunition, explosives, military equipment, military stores and supplies and other implements of war of all kinds;

(2) All naval vessels of all classes, both surface and submarine, and auxiliary naval-craft;

(3) All aircraft of all kinds, aviation equipment and devices, and equipment for anti-aircraft defense.

(e) The establishment, utilization or operation for military purposes of any of the following shall be prevented:

(1) All military structures, installations and establishments, including but not limited to military air fields, seaplane bases, and naval bases, military and naval storage depots, permanent and temporary land and coast fortifications, fortresses and other fortified areas;

(2) All factories, plants, shops, research institutions, laboratories, testing stations, technical data, patents, plans, drawings

and inventions, designed or intended to produce or to facilitate the production of items listed in the paragraph (d) above.

(f) Under conditions which may be established by the High Contracting Parties, the demilitarization and disarmament required by this Article shall be subject to the following exceptions and to no others:

(1) The formation and employment of such detachments of Japanese civil police, and their equipment with such types and quantities of imported small arms as may be essential to the maintenance of public security; and

(2) The importation of minimum quantities of those items listed in paragraph (d) (1) above, such as explosives or ingredients of explosives, which may be essential for purposes of construction, mining, agriculture, or for other peaceful purposes.

### Article II

To implement the disarmament and demilitarization provisions set forth in Article I, the High Contracting Parties agree that they shall make provision for a system of quadripartite inspection, which shall become operative upon the termination of the Allied occupation of Japan. This system of inspection shall be conducted through a Commission of Control to be established by the High Contracting Parties on a quadripartite basis. The Commission of Control, through its officers and agents, shall conduct, in any and all parts of Japanese territory, such inspections, inquiries and investigations as it may deem necessary to determine whether the disarmament and demilitarization provisions set forth in Article I are being observed.

### Article III

The High Contracting Parties agree that for the duration of the period of Allied occupation of Japan, they shall support the strict enforcement of the disarmament and demilitarization provisions set forth in Article I. They agree further that the express acceptance by Japan of the provisions of Articles I and II shall be an essential condition to the termination of Allied occupation of Japanese territory.

### Article IV

The Commission of Control provided for in Article II shall submit a report to the High Contracting Parties whenever, in the opinion of a majority of the members of the Commission, it has reason to believe that a violation of the disarmament and demilitarization provisions of Article I has occurred or is about to occur. In conjunction with such report the Commission shall submit a recommendation for action on the part of the High Contracting Parties which appears appropriate to a majority of the members of the Commission. Upon receipt of such report and recommendation, the High Contracting Parties will, by common agreement, take such prompt action—including action by air, sea or land forces—as may be necessary to assure the immediate cessation or prevention of such violation or attempted violation. The High Contracting Parties agree that, within six months of the effective date of this treaty, they shall consult for the purpose



of negotiating special quadripartite agreements which shall provide in the greatest practicable detail for inspection, inquiry and investigation by the Commission of Control, for the numbers and types of forces which each Party shall make available for purposes of this treaty, for their degree of readiness and general location, and for the nature of the facilities and assistance which each shall provide. Such special quadripartite agreements shall be subject to ratification by the High Contracting Parties in accordance with their respective constitutional processes.

#### Article V

This treaty shall be ratified by the High Contracting Parties in accordance with their respective constitutional processes. The ratifications shall be deposited with the Government of ———, which shall notify all the High Contracting Parties of each deposit. This treaty shall come into force upon the deposit of ratifications by each of the High Contracting Parties. This treaty shall remain in force for a period of twenty-five years from its effective date. The High Contracting Parties agree to consult six months before the date of expiration of this treaty for the purpose of determining whether the interests of international peace and security require its renewal, with or without modification, or whether the Japanese people have so far progressed in the reconstruction of their life on a democratic and peaceful basis that the continued imposition of the controls defined herein is no longer necessary.

BYRNES

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894.42/2-2846

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

No. 283

Tokyo, February 28, 1946.

[Received March 13.]

SIR: I have the honor to forward three copies of a press release <sup>12</sup> (a four-month summarization report) by Brigadier General Ken R. Dyke, Chief of the Civil Information and Education Section, General Headquarters, Supreme Commander for the Allied Powers. These copies, which were the only ones available, were courteously furnished by the above Section at our request.

General Dyke states that "The Japanese educational system is freeing itself of the insidious poison of militarism and ultranationalism and is moving into an era of democratic reform." Other points emphasized are that for the first time both the Japanese Minister and Vice Minister of Education <sup>13</sup> are professional educators; that a new program of education is being worked out; that cooperation with SCAP officers has been notable; that the examination and screening of

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<sup>12</sup> Not printed.

<sup>13</sup> Yoshishige Abe and Kunisuke Yamazaki, respectively.



teachers is proceeding satisfactorily; that military drill and education have been prohibited and are being eliminated.

He adds that new texts are being prepared; that the school years have been restored to their pre-war length; that teachers and educational officials suspended or forced to resign for liberal opinions, if now qualified, are being re-appointed. He also reviews the use of radio, and of special courses and manuals to re-orient and direct the teachers and school administrators. General Dyke calls attention to the establishment of the principle of co-education and of equal education for girls and women. He is optimistic that this end will be attained within a reasonable time. He commends the appointment by the Japanese Government of a committee of educators to cooperate with the Mission of American Education, which is now on its way to Japan to "study the educational system and advise General MacArthur on matters of policy and long-range objectives. After the departure of the American Mission, the Japanese committee will continue to serve the Ministry as an advisory body on educational reform." Certain Japanese have pointed out that only the government-supported schools are represented on this Japanese committee. This deficiency is under consideration and may be remedied.

General Dyke expresses the opinion that "The great task of educational reform in Japan has only just begun. A tentative blueprint has been laid down, but the careful, painstaking process of carrying out the provisions of Potsdam lies ahead. It will not be an easy undertaking."

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

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740.00119 FEAC/3-146

*Memorandum of Conversation, by the Secretary of State*

SECRET

[WASHINGTON,] March 1, 1946.

Mr. Novikov, the Soviet Chargé, requested an appointment to see the Secretary.

He stated that he wished to take up questions in connection with the Far Eastern Commission which is now meeting here.

The Secretary remarked that he had attended the opening meeting, but had left immediately afterward and had not discussed the work of the Commission with anyone.

Mr. Novikov said the Secretary probably knew of his Government's proposal to establish the post of Vice Chairman of the FEC. They hope to have the Soviet member elected to fill this position. He stated that the American members are opposed to this proposal and they

intend to nominate a US delegate to be alternate to General McCoy and say there is no need for establishing the position of Vice Chairman. Acting on the official instructions of his Government, he said he wished to know the US position in this matter.

The Secretary said he had not heretofore heard of this matter but he would be inclined to take the position that the Commission itself, not the US Government, should decide who should be the officers of FEC. If the Commission decides to establish the office, then a vote should be taken on who will fill the position. However, the Secretary reiterated, it is a matter he feels the Commission should determine for itself.

Mr. Novikov said that what the Commission does might depend on the position of the US representative, who seems to be opposed to it. He said General McCoy's position is that there is no need for the post of Vice Chairman since he as Chairman might be replaced if necessary by another US delegate, his alternate.

The Secretary remarked that some time ago, four or five months ago, when the Commission was first organized, Dr. Evatt mentioned that Australia wanted to have the Vice Chairmanship.

Mr. Novikov said the question of a Vice Chairman had been raised by the Soviets and they wanted the Secretary's support and believed that his attitude and direction might decide the matter. He said he wanted to know the Secretary's intentions and wanted to state that the Soviet position in the Commission is very formal and that they ascribe to this matter great importance. He inquired what he could tell his Government.

The Secretary replied, "Tell them that I have not considered the matter at all because I had not heard about it before. My first reaction would be against a Government as a Government interfering in it. I would be disposed to leave to the Commission the matter of deciding who its Vice Chairman and its Secretary and its other officers shall be."

The Secretary continued, saying he would not try to dominate in this matter, but he would talk with General McCoy and then he would like Mr. Novikov to talk with General McCoy because he did not think of himself as interfering in the action of that Commission. If he were going to make decisions on these matters he would attend the meetings himself instead of having a representative there. He added that if General McCoy came to him for advice he would be glad to give it, but the General had not done so.

Mr. Novikov added that the General's attitude prevents the Soviets from having such a post in the Commission.

To this, the Secretary inquired if the matter had been voted upon.

Mr. Novikov replied that it had not, but it had been discussed yester-



day at the Steering Committee meeting and will be discussed again. Nothing definite was decided, he added.

Mr. Novikov added that he believes the view of his Government is that the position of the Soviet Government in the FEC is not the same as the position of India or New Zealand, so their position must be marked by some definite role which they play, which would be purely for the purpose of prestige. It will change nothing in the role of the US representative as Chairman of the Commission.

The Secretary said he understood that. It was like any candidate for political office. No doubt Great Britain would feel that she would like to have the Vice Chairmanship, and France would feel the same way.

Mr. Novikov pointed out that they had elected General McCoy having in mind that he is the US representative. He said he supported his name and so they would like to have US support in their modest claim.

The Secretary said he supposed Great Britain would have the same reason for support since they and, he believed, all the other members voted for General McCoy, and that we can't support all of them for Vice Chairman.

Mr. Novikov said another matter he wished to bring up was the intention of his Government to be represented in Committee No. 4, dealing with the demilitarization of Japan. He said he didn't know the exact attitude of General McCoy on this, but wanted to inform the Secretary of their wish.

The Secretary told Mr. Novikov he should inform General McCoy instead of him of this. He said he didn't even know there was a Committee 4, or how many committees have been established. He said he couldn't look after the details of General McCoy's job, and that this was the first time since the FEC had been in session that he had been requested to make a decision concerning it. He stated that he could not undertake to hear the views of members of the Commission and attempt to make decisions concerning them when the US member had not been consulted. The Secretary suggested that Mr. Novikov have a talk with General McCoy, whom he was sure he would find a very agreeable gentleman to deal with.

Mr. Novikov remarked that it is important in the Commission that their cooperation be close.

The Secretary emphatically stated that he could not, when asked by one of the members of the Commission, issue instructions to the American representative because it would mean he would have to take over the work of the Commission himself.

It was agreed that the Secretary would talk with General McCoy and then either the Secretary would inform Mr. Novikov or the General would get in touch with him about their talk.



740.00119 Control (Japan)/3-1346

*Memorandum by the Chairman of the Far Eastern Commission  
(McCoy) to the Secretary of State*<sup>14</sup>

WASHINGTON, 4 March 1946.

The purpose of this report is to present to the Secretary of State the primary accomplishments of the Far Eastern Advisory Commission during its recent visit to Japan and to make brief recommendations as to the stand which I believe the United States should take in regard to the future early decisions of the newly constituted Far Eastern Commission. There are attached hereto the reports of various members of my staff and of the Secretary General which cover in detail the activities and investigations of the Commission and which outline the impressions these gentlemen received as a result of their observations and contacts. I forward them for such distribution and use as you may deem desirable.

The most satisfactory result of the Commission's visit, from the point of view of the United States was the feeling of confidence in the Supreme Commander engendered in the minds of the foreign representatives. Regardless of their views concerning the policies established by the United States for the control of Japan, all delegates are convinced that those policies are being carried out effectively and with the utmost wisdom by the Supreme Commander and his staff. They were all impressed by General MacArthur's grasp of the problems which face him and by the statesmanship he has shown in performing his difficult task. They were particularly gratified by his consciousness of the international character of his position and the attendant responsibilities.

Of equal importance was the ability of the Commission to erase from the minds of General MacArthur and his staff the natural suspicion which they harbored before they were able to establish personal contact with the representatives. There has now been established a mutual confidence and respect, a cognizance of each other's problems which will aid materially in furthering United States objectives not only in the control of Japan but in the general field of international cooperation.

I feel that certain subjects stand out as being in need of policy guidance in the very near future. Such subjects include Reparations, (on which depends the restoration of Japanese economy,) an export-import program closely integrated with the production and provision

<sup>14</sup> Transmitted by the Secretary General of the Far Eastern Commission (Johnson) to the Director of the Office of Far Eastern Affairs (Vincent) for the Secretary of State from General McCoy in covering letter of March 13, not printed. On March 25 Mr. Vincent transmitted the memorandum to the Secretary and to the Under Secretary of State; Mr. Acheson commented: "Most interesting."

of the food required to maintain a viable economy and a definite decision on the part of the United States to support the Supreme Commander's views in regard to the Emperor.

It is my intention to press for consideration of these matters in the Commission not only because of their intrinsic importance but because they offer an opportunity for the Commission to take the initiative in areas where policy is as yet undecided rather than to concern itself with academic discussions of well established policies whose change or modification at this late date is virtually impossible.

FRANK R. MCCOY

[Annex 1—Extract]

*Memorandum by the Secretary General of the Far Eastern Advisory Commission (Johnson)*

[Tokyo, February 7, 1946.]

The question is, when we have destroyed Japanese belief in the divinity of their land and their own divine origin as the vassals of a divinely descended Emperor, will the human Emperor emerge and survive as a symbol of government—as the English King has survived—as the leader of a democratically-organized Japanese society. This should be our hope in planning for a Japan thirty years from now if we are to have stability and security in the Pacific. To accomplish this will require careful handling, for fate has given to us the responsibility for controlling the destiny of Japan during this period of transition. If we can by manipulation and encouragement bring it about that these changes will be accepted by the Japanese as Japanese conceived and brought to accomplishment, then our chances of success through the permanency of the change will be great. But if we use force, then we may be certain that when we withdraw the force the Japanese themselves will reverse the situation as evidence of their independence of action.

[Annex 2—Extracts]

*Memorandum by Colonel C. Stanton Babcock to the Chairman of the Far Eastern Advisory Commission (McCoy)*

[Tokyo,] 10 February 1946.

Subject: Impressions Gained During our Visit to Japan

*Introduction:*

The notes which follow hereafter represent an attempt to record my impressions after numerous interviews with Staff Officers in G.H.Q.,

officers on duty with the troops occupying the Tokyo district, and a number of Japanese with whom I came in contact. None of the personnel, either American or Japanese, were senior in rank or acknowledged leaders in their groups. Knowing that others in our group would have more opportunity and be better qualified to talk to the better known figures, I tried to meet younger and less prominent persons. Japanese with whom I came in contact represented the Army, the Navy, the Protestant Church, the Imperial Household, the Foreign Office, the fringes of big business, minor Communists, farmers and fishermen. Some were men and some were women. Most were in the age group between 30 and 45.

*General:*

There seem as yet to be no clearly defined patterns of thought in Japan strong enough to break through class or occupational barriers. The defeat, the resultant depressed conditions and the occupation do not yet seem to have been brought home to the Japanese as national problems. Each individual, or class of individuals, thinks of these matters solely in terms of how they will affect him or his group. The attempt to adjust to strange and unpleasant conditions of life, the uncertainties of the immediate future as they affect the individual's livelihood are taking up so much of the energy and thought of the people that the problem of Japan and the nation's future is shoved into the background or relegated to "Makasa."

As yet there have arisen no leaders, there have emerged no political or economic philosophies virile enough to arouse in the people any enthusiasm. This is natural under present conditions, but those with whom I talked felt that Communism, with its positive policy and organized pressure, would take enormous strides unless a strong new movement completely divorced from association with older political movements could emerge and capture the imagination of that great mass of people who are disillusioned by the leadership of the past. Communism they fear and distrust at present, but its potentialities are great when measured against the purely defensive attitude of the other political groups. Moreover, there is a feeling, (particularly strong among discharged service men), that militarism alone is not responsible for Japan's ills, but that much of the blame must be shouldered by the oligarchic system out of which militarism arose. Discharged soldiers and sailors may feel that the generals and admirals led them into a hopeless war, but they do not forget the paternalistic interest that the services took in conditions among the poorer classes, particularly the farmers and fishermen. No leaders who fail to champion the cause of the underprivileged can count long on the support of the former soldiers and sailors and those whom these latter influence.



*Army and Navy:*

One of the most interesting expressions of opinion that I heard was the constantly expressed hope among Japanese officers that the occupation would be a long one. This was prompted in part, of course, by the fear of being left helpless in the face of Russia, but also by the feeling that their way of life had been destroyed and that we must stay long enough to train a new generation which really understood our way of life. These men made no attempt to make me think that they approved of our way of life, but they felt that Japan's future was hopeless if we merely destroyed the old and then pulled out before establishing the basis for a new and stable form of existence. Democracy may be unpalatable but it is better than chaos.

The feeling toward the war was fairly uniform. There was no feeling of guilt; not even that they had made a mistake. The attitude was that of men who had taken a desperate but necessary gamble, done everything possible to ensure success, but had lost. To accomplish their objective of a Japan supreme in East Asia, they had had to go to war. They knew that their only chance lay in prolonging the war to the point where we would tire and give up. They failed, and admit their failure and the end of their hopes and ambitions, but they still think they took the only course open to them.

*The Imperial Household:*

This is the only group in Japan which has not been materially affected by the defeat and the occupation, and over which G.H.Q. has exercised no real influence. The impression I got was of a selfish group intent on preserving their special privileges, indifferent to events except as they would affect their own privileged positions. They are fearful of any outside influence reaching the Emperor, and are particularly worried lest American influences cause them to lose their hold over the Crown Prince. They pin their hopes on the British and (perhaps as a result of wishful thinking), are fairly confident of success.

There seems to be some feeling among those interested in preserving the *status quo* that the Imperial Household may furnish a nucleus around which they can all gather. No steps seem to have been taken in this direction as yet and the jealousy of the Kunaisho towards those without the pale may prove a serious barrier if, and when, such a movement starts. The idea is there, however, and events may force this small group of reactionaries to assume such a leadership for their own preservation.

*Conclusion:*

I desire to stress once more that these are personal impressions gained as a result of conversations with a group of unimportant people whose only claim on my attention was that, in a confused and bewildered land, they had been thinking.

C. STANTON BABCOCK  
*Colonel, GSC*

## [Annex 3—Extracts]

*Report by Dr. George E. Blakeslee on the Far Eastern Commission's  
Trip to Japan, December 26, 1945–February 13, 1946*

## I THE TRIP

The Far Eastern Commission visited Japan in order to consult with the Supreme Commander for the Allied Powers and to study conditions. Three full weeks were spent in Japan, most of the time in Tokyo, with week-end trips to Nikko–Sendai, and Kyoto–Nara–Kure–Hiroshima–Osaka. These side trips enabled the Commission to see the areas of Japan not damaged by the war and to realize the destruction in the cities which had been severely bombed. On the last day a visit was made to the 8th Army Headquarters at Yokohama and to the Yokosuka Naval Base. In Tokyo Army officers from the staff of SCAP usually met with the Commission daily, both mornings and afternoons, to describe the work of the occupation authorities. In addition the members of the Commission and the assistants had conversations with many Japanese and gained a good idea of the Japanese points of view.

A summary of the personnel of the Commission and of its daily activities has been prepared by the Secretary General and is attached.<sup>15</sup>

## II THE SUPREME COMMANDER FOR THE ALLIED POWERS

General MacArthur welcomed the Commission to Japan and facilitated its work in every way, especially by directing his officers in charge of the several sections of the Occupation Administration to appear before the Commission, explain their work, furnish all requested material, and answer all inquiries. General MacArthur spoke to the Commission shortly before it left Tokyo and in strict confidence explained frankly his policies in regard to the treatment of Japan, his evaluation of conditions and his forecast of future developments and problems. A summary of General MacArthur's talk, which is to be regarded as secret, is attached.<sup>16</sup>

<sup>15</sup> Not printed.

<sup>16</sup> See memorandum dated January 30, p. 123.



## III REPORTS OF THE OCCUPATION OFFICIALS

An outstanding fact is that the Occupation authorities are the real government of Japan. They permit the Japanese Government a measure of initiative and action, but only within the framework of Occupation policy. SCAP issues many directives to the Japanese Government and watches to see that they are properly executed. The Report of the Government section of SCAP states, "Government in Japan has become increasingly a matter of directive from the Supreme Commander rather than acts initiated by the Japanese Cabinet or Diet." The Office of SCAP, further, makes suggestions to the Japanese Government, as in the case of women's suffrage, which are dutifully carried out as if on the initiative of the Japanese. An illuminating instance of the close control of government by the Occupation authorities was shown during the recent sessions of the Diet, from November 26 to December 18, 1945. Most of the bills presented were Japanese Government bills. Each bill, however, was submitted to the Office of SCAP before it was presented. The U.S. Army officers watched the progress of the bill through the Diet, and when it was passed it was referred to SCAP for approval before it received Imperial sanction and was promulgated.

## IV VIEWS OF THE JAPANESE

The Japanese as a whole approve the personnel and the measures of the Occupation Government. The U.S. soldiers have made an excellent impression and General MacArthur is widely popular. The natural resentment of the Japanese against their former enemies has largely been turned against their own military leaders, for whose punishment there is a considerable demand.

In politics the interest of the Japanese is much less than it is in solving their economic problems. The danger of a return to power of the militarists was sometimes referred to, but it was generally regarded as slight, especially in any near future. There was an almost universal and deep fear, among the upper and middle classes, of Communism and of the Soviet Union. Many were under the apprehension that SCAP was favoring the Communists and left-wing Socialists, an impression doubtless due to SCAP's insistence on freedom of the press, assembly and discussion, which resulted to the advantage of the formerly proscribed parties and organizations. There was much discussion of a SCAP directive issued on January 4, 1946, which is



popularly termed the Purge Directive. It bars from public office and from public life all men who had held in the past a designated list of public offices in the Government or in certain parties. This purge of those assumed to be militarists or prominent totalitarian leaders was generally approved, but there was an almost equally strong feeling among the upper and middle classes that the directive was unjust in its application in certain cases, and purged men who were essentially liberal and anti-military, but who had at some time held one of the proscribed positions. No point was stressed more strongly by many Japanese than the advisability of a just, reasonable and fair-minded interpretation and application of this directive.

The future of the Emperor was discussed by every Japanese. Most of them felt strongly that the institution of the Emperor should be retained, but that it should be modified so that it would come to be similar to that of the British crown.

## V CONCLUSIONS AND PROBLEMS

One of the earliest and strongest impressions on one who has known Japan in the pre-war days is the comparative absence of goods of all kinds and the poor appearance of the clothes of both men and women.

According to an estimate by Professor Shiroshi Nasu of the Tokyo Imperial University, now a consultant on one of SCAP's sections and a recognized authority, Japan has lost one-third of its total wealth and from one-third to one-half of its total potential income. The actual present income is less than one-half of the pre-war level. The rural population in Japan, comprising 40% of the population, has a present standard of living about 65% of the pre-war level; the non-rural, about 35% of its pre-war level; and the nation as a whole, about one-half of the pre-war level.

### 3. *The Attitude of the Japanese*

After the surrender both Americans and Japanese were surprised. The Japanese were surprised at the good conduct of the U.S. soldiers and the Americans at the cooperative attitude of the Japanese. The frequent prophesies regarding the conduct of the Japanese were not realized; there were no mass murders, no assassinations, no guerrilla warfare, no passive resistance. The Japanese accepted the defeat and carried out the directives of the Supreme Commander. Their attitude and conduct on the whole have been excellent, although the Occupation authorities feel that the Japanese Government has shown too little initiative and at times has delayed in executing orders. There are at least

three factors which may explain in part the conduct of the Japanese: (1) they are habituated to obey the orders of the Government, and the Emperor ordered them to surrender and to carry out the directives of SCAP; (2) they were disillusioned with their own Government and military leadership, and turned to the U.S. authorities for a new and better leadership; and (3) throughout their history they have shown the ability to recognize a new situation and to adjust themselves to it.

#### 6. *The Emperor*

Aside from economic problems the chief topic of discussion on the Commission's visit to Japan was the Emperor. The outstanding fact is that the great majority of the Japanese desire him to remain on the throne and that the Occupation finds him of great service and is opposed to any effort by Allied authorities to remove him or to try him as a war criminal.

A Japanese Gallup Poll reports that 92% of the Japanese people are in favor of retaining the Emperor; and approximately this estimate was generally supported by Japanese with whom members of the Commission talked. Of political parties only the Communists have expressed a wish to remove him.

Not only are the Japanese in favor of retaining the Emperor; they have a deep emotional attachment to the Imperial Institution. Thoughtful Japanese state that the Emperor is needed in Japan as a symbol of national unity, binding the people together by strong ties of sentiment, and as a moderating and harmonizing factor in Japan's political life. The people regard the Emperor not merely as head of the state, but as head of the national family of which they are all members.

In favor of the present Emperor is the fact that the people as a whole are deeply grateful to him for ending the war, and that among the well-informed it is common knowledge that in August, 1945, when his advisers were divided as to continuing the war or making peace, he decided for peace and subsequently, when doubts arose, strongly maintained his position. His New Year's Rescript, disclaiming divinity, was apparently approved by most well-educated Japanese and was received with acquiescence by the people at large. The Emperor's advisers are older statesmen of well-known liberal views and friendly sentiments toward the United States.

The Occupation has found the Emperor to be a great asset in its task of disarming and administering Japan. The Chief of the Civil Information and Education Section, who spoke to the Commission on the subject of the Emperor, said that the Occupation could do a great deal through the Emperor that could not be done otherwise, and



that to try the Emperor as a war criminal would be the greatest mistake the Allies could make.

## VI THE FUTURE

The accomplishments of the Occupation within the relatively short period of five months have been remarkable and far greater than anticipated before the surrender. The Japanese armed forces have largely been demobilized and disarmed and their military matériel destroyed. Security in Japan has been established. Militarists and ultra-nationalists have already been removed from important posts, and the Japanese Government is functioning under the strict supervision and direction of the Supreme Commander. The democratization of Japan has been well begun, especially in the fields of Government and Education, and along lines which it is hoped the Japanese themselves will wish to follow and to complete. All of these achievements appear to have the approval of the large majority of the Japanese people.

Nevertheless, Japanese sentiment at present is still plastic. The Japanese have not yet completely adjusted their thinking to their shattering defeat and to the changed world in which they must live. To mold and to harden Japanese thought and institutions in accordance with a pattern desired by the United States will require much more than has already been achieved and will necessitate the utmost wisdom on the part of the Occupation.

The kind of a Japan which the United States should desire, some twenty to thirty years from now when the immediate problems of the war have been settled, is a Japan peaceful, democratic, efficient, meeting its obligations to other states and cooperating with them for the common interests of the family of nations, particularly in the Far East, and with a measure of prosperity which will be deserved under the existing circumstances. It is particularly desired that Japan should continue to develop the type of democracy which has already been started by the Occupation and that it should be friendly to the United States and sympathetic with American ideals.

To achieve these ultimate objectives and to avoid the dangers which threaten them it is essential to prevent economic distress for the Japanese and to introduce such further reforms as the Japanese will eventually approve and make permanent. The immediate problem is economic. A sane democracy cannot rest on an empty stomach. Economic distress normally leads to an attempt to change the existing government to one which promises relief—either an extreme right wing or an extreme left wing movement.



In Japan a right wing movement would probably be led by the militarists. At present they are so widely discredited that it is believed they could not gain any strong popular support, but organized underground as champions of relief from economic suffering, they might become politically dangerous. An extreme left wing movement is more probable. It is the natural tendency in history for every fundamental change in a nation to develop toward the extreme left, and the trend in political thought in Japan since the surrender has been distinctly to the left. Economic distress might well result in the establishment of a political and economic system in Japan closely similar to that in the Soviet Union—with all of its unfortunate political, economic, international and even military consequences for the United States.

To safeguard the American type of democracy in Japan and to remove the causes of either right or left wing movements, the Occupation and the United States should prevent acute food shortage and should take such measures as may be feasible to help the Japanese revive their industries and their export trade. As pre-requisites, the stabilization of their currency and especially an initial decision on reparations will be almost necessary.

To establish an American type of democracy which will give promise of permanence, it will be advisable for SCAP, now that the broad foundations of democracy have already been laid and appear to be acceptable to the Japanese, to proceed with moderation in his administration and in introducing further drastic changes. All reforms should be such that the Japanese will themselves probably wish to continue them after the withdrawal of Allied troops. Finally, as friendly Japanese point out, it will be particularly helpful to the Japanese to give them some assurance of hope for the future of their people and their nation.

FEBRUARY 19, 1946.

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740.00119 FEAC/3-546

*Memorandum by Dr. George H. Blakeslee, of the American Delegation to the Far Eastern Commission, to the Director of the Office of Far Eastern Affairs (Vincent)*

[WASHINGTON,] March 5, 1946.

Subject: The Secretary's Conversation with General McCoy regarding FEC Matters.

In chatting with Mr. Penfield,<sup>17</sup> he asked me whether I had informed you of the substance of the conversation between General McCoy and the Secretary late Saturday morning. I have assumed that you would

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<sup>17</sup> James K. Penfield, Deputy Director of the Office.

be informed regarding this conversation from more direct sources. But to make certain, here are the main facts.

Last Friday Mr. Novicov called on the Secretary and asked him to direct General McCoy to support the Soviet proposal regarding the Vice-Chairmanship.<sup>18</sup> Late Saturday morning the Secretary called for General McCoy and made to him the following statements:

1. The Secretary disapproves the wording of the title of Committee No. 4 of which Mr. Novicov is to be Chairman. The title was "The Strengthening of Democratic Processes." The Secretary objected to the word "democratic" under the circumstances;

2. The Secretary disapproved Mr. Novicov's proposal that the Soviet representative should be the sole Vice-Chairman of the Commission. If it should be necessary to elect a Vice-Chairman other than an American, the Secretary favored some three Vice-Chairmen, evidently including the Russian, British and Chinese representatives.

General McCoy has been taking action in accordance with these views of the Secretary.

G. H. BLAKESLEE

740.00119 Control (Japan)/3-746

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan, to the Secretary of State*

No. 291

TOKYO, March 7, 1946.

[Received March 16.]

SIR: I have the honor to refer to this Office's despatches No. 153, January 2, No. 234, January 29, No. 246, February 9, No. 275, February 25, and No. 282, February 28, 1946,<sup>19</sup> forwarding translations of the published Constitution revision proposals of four leading Japanese political circles, two private study groups, and Dr. Takano Iwasaburo.<sup>20</sup> In this connection there is enclosed a memorandum entitled "Comparative Analysis of the Published Constitution Revision Plans of the Japan Progressive, Liberal, Socialist and Communist Parties, Two Private Study Groups, and Dr. Takano Iwasaburo".

The memorandum was prepared primarily to bring out the points of similarity and dissimilarity in the subject plans on leading issues of Constitutional reform (the comparative positions are shown in convenient tabular form in an Appendix to the Memorandum) and only secondarily as a critical analysis of those plans. The study should permit rapid comparison of the individual and collective positions of the leading political parties on the issues of Constitutional

<sup>18</sup> See memorandum of March 1, p. 156.

<sup>19</sup> None printed except despatch 246, February 9, p. 137.

<sup>20</sup> Adviser to Shakaito (Social Democrats).

reform with the Government's draft revision released by the Cabinet on March 6, 1946. This ably and carefully prepared memorandum should be of real value in providing in readily usable form a comparison of the expressed views of important and influential Japanese groups on the vital question of Constitutional reform. The Cabinet draft plan is being forwarded under cover of a subsequent despatch.<sup>21</sup>

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

[Enclosure—Extract]

*Memorandum by Mr. Robert A. Fearey of the Office of the Acting  
Political Adviser in Japan*

COMPARATIVE ANALYSIS OF THE PUBLISHED CONSTITUTION REVISION  
PLANS OF THE JAPAN PROGRESSIVE, LIBERAL, SOCIALIST AND COM-  
MUNIST PARTIES, TWO PRIVATE STUDY GROUPS, AND DR. TAKANO  
IWASABURO

#### CONSTITUTIONAL AMENDMENTS

The Progressives, Liberals and the CIA<sup>22</sup> specifically provide, and the Socialists clearly imply, that the Diet shall have the power of initiating Constitutional amendments. The Socialists and the CIA provide that such amendments shall require the presence of two-thirds of the members of both Houses and the approval of a majority of those present. Dr. Takano, and, by implication, the Progressives, the Liberals and the FBA,<sup>23</sup> since they make no mention of the matter, would continue the procedure stipulated in the existing Constitution, requiring the presence of two-thirds of the members of both Houses and the consent of two-thirds of those present. The CIA would permit the Constitution to be amended by popular plebiscite, requiring the approval of a majority of the voters.

The above presentation reveals a complicated cross-pattern of agreement and disagreement. Outstanding among the points of agreement is the fact that the Progressives, the Liberals, the Socialists, the FBA and the CIA, all, in fact except the Communists and Dr. Takano, representing a small minority of opinion, favor the British over the American form of democratic government, as would be expected considering how much closer the existing Japanese governmental structure and tradition is to the British system than to our own.

<sup>21</sup> No. 296, March 8, *infra*.

<sup>22</sup> Constitution Investigation Association, a private study group.

<sup>23</sup> Federation of Bar Associations.



Within this group, the Progressives, Socialists and the CIA are agreed that the Cabinet shall be responsible to the Diet; that new Prime Ministers shall be appointed on the recommendation of the Presidents of the two Houses of the Diet; that the House of Representatives elected by and from the general population shall be supreme over the Upper House; that the Upper House shall be entirely or in greater part elected by and from the various occupational groups; that the Diet shall not be closed, or, in the case of the Progressives, may meet at will; that the Privy Council and the peerage shall be abolished; that fundamental human rights shall be guaranteed; that the independence of the judiciary shall be ensured; that no budget shall go into effect without the prior approval of the Diet, or, in some circumstances, in the case of the Progressives, the Diet Standing Committee; and that Constitutional amendments may be initiated and decided by stipulated majorities of the Diet.

The Liberals and the FBA, on the other hand, propose no change in the present procedure for the appointment of Prime Ministers; make no provision, or, in the case of the Liberals, inadequate provision, for the supremacy of the Lower over the Upper House; fail to provide for the democratization of the Upper House; fail to increase the length of the annual session of the Diet or to provide that the Diet may meet at will; fail to ensure that no budget shall go into effect without the prior approval of the Diet; do nothing, in the case of the Liberals, to abolish or reform the peerage; and fail in the case of the FBA, to confer power on the Diet to initiate Constitutional amendments.

It may be stated that, generally speaking, the Progressive, Socialist and CIA drafts succeed and the Liberal and FBA drafts fail to establish the essentials of democratic government. Even the former, however, lack precision and explicitness on key points. None of the three, for example, expressly provides for a Cabinet; none actually states that the Cabinet must resign or appeal to the electorate on a vote of no-confidence by the Lower House; only the CIA provides that the Presidents of the two Houses of the Diet, who are to recommend new Prime Ministers to the Emperor, shall be elected by the Diet membership; and only the CIA speaks of the *joint* responsibility of the Cabinet to the Diet. But while these omissions are unquestionably an important defect of the drafts, there is little reason to believe that they are deliberate. The fuller explanations of party leaders and members leave little doubt that the lack of explicitness is attributable to inexperienced drafting and the desire for brevity and simplicity, and that genuinely democratic forms are intended. The plans are preliminary drafts, not finished legal documents, and were necessarily limited in newspaper space.

Although the Progressive, Socialist and CIA plans reveal many points of similarity in establishing the essentials of British-type, democratic government, the Progressives, joined by the Liberals and FBA, present a very different point of view from the Socialists, the Communists and the CIA on the issues of the Emperor and free private enterprise versus a controlled economy. Regarding the former, all six drafts state or clearly imply that the Emperor's powers shall be purely nominal and that he shall have neither political nor legal responsibility. The conservative group, however, being of the opinion that the Emperor should be retained as a stabilizing influence (partly from reasons of self-interest but in many cases also from a genuine conviction that democracy can be more firmly and lastingly introduced under the Emperor than without him), desire the retention of at least part of his theoretical powers. The leftist group, on the other hand, consider the Emperor institution a source of strength to their conservative opponents and a hindrance to their plans. Recognizing that in the present state of public opinion complete abolition of the institution is impossible, they nevertheless desire him stripped of theoretical as well as practical power and his prerogatives limited to purely ceremonial functions.

Difference of view on the desirability of retaining the capitalistic system or establishing a socialistic economy follows the same party lines. While the Liberals have chosen to insert in their draft specific provisions for the protection of private property and freedom of enterprise and the Progressives make no mention of the matter, the difference is doubtless merely a matter of tactics, as there can be little question of the Progressives' equally strong support of the free private enterprise system. The Socialists and the CIA for their part explicitly provide in their respective drafts that private property rights shall be subject to limitation for the general welfare. These fundamental conflicts, on the status of the Emperor and the nature of Japan's economy, should be at least partially resolved in the coming elections.

ROBERT A. FEAREY

740.00119 Control (Japan)/3-846

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan, to  
the Secretary of State*

CONFIDENTIAL

No. 296

TOKYO, March 8, 1946.

[Received March 16.]

SIR: On March 5, 1946, there was issued an Imperial rescript on Constitutional reform. The Japanese Government was directed to



exert its best efforts to revise the Constitution. On March 6, 1946, the Japanese Government, in compliance with the Imperial directive, made public its new draft Constitution.<sup>24</sup> On the same day the Supreme Commander for the Allied Powers issued a statement<sup>25</sup> in which he gave full approval to the Government's draft. I have the honor to enclose copies of these important documents. There are also enclosed copies of a press release by the Chief Secretary of the Cabinet.<sup>26</sup>

There has not been time to prepare a careful analysis of the new draft, the sudden announcement of which came as a surprise. It is apparent from General MacArthur's press release and from the Imperial rescript that the Government's draft was carefully considered by Headquarters and was approved by the Supreme Commander and by the Emperor before its issuance. The draft differs radically from press and other reports of the probable nature of the Government's planned revision originally prepared by Minister Without Portfolio Matsumoto. Before acceptance of the present version of the Government's Constitutional proposals, we are reliably informed that there was precipitated a serious Cabinet crisis. This crisis was overcome apparently by the firm attitude of the Prime Minister who had the full backing of the Emperor and of the Supreme Commander.

There is some danger that in future the Japanese may regard this draft plan as having been prepared for them rather than as having been created by them. Should this eventuality materialize, Japan's attitude towards its new Constitution, if adopted as appears likely, might be radically altered.

It is our intention to prepare for the Department a detailed analysis of the Government's draft, a full report of the events leading to its publication, and a careful study of the reaction in Japan. In the meantime, attention may be directed especially to Chapter 2, Article IX, "Renunciation of War", as a startling and novel Constitutional provision. By this Article the Japanese renounce forever the "threat or use of force" and assert that the "maintenance of land, sea and air forces, as well as other war potential, will never be authorized" and that "the right of belligerency of the state will not be recognized". It remains to be seen whether this provision will stand the test of time and the stress of relations between nations. It is apparent immediately that any nation without the means to protect its security must rely upon outside sources for that protection. Unless and until the United Nations Organization demonstrably becomes an effective and authoritative international body, it is also apparent that protec-

<sup>24</sup> For text of second Japanese Government draft of constitution, see *Political Reorientation of Japan*, p. 631.

<sup>25</sup> *Ibid.*, p. 657.

<sup>26</sup> Not printed. Wataru Narahashi was Chief Secretary of the Cabinet.



tion furnished by one or more powers might be considered a threat by another or other powers.

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

[Enclosure]

*Press Release Issued by General Headquarters, United States Army Forces, Pacific, at Tokyo, March 6, 1946*

The Emperor of Japan today<sup>27</sup> issued the following Imperial Rescript:

"Consequent upon our acceptance of the Potsdam Declaration the ultimate form of Japanese government is to be determined by the freely expressed will of the Japanese people. I am fully aware of our nation's strong consciousness of justice, its aspirations to live a peaceful life and promote cultural enlightenment and its firm resolve to renounce war and to foster friendship with all the countries of the world. It is, therefore, my desire that the Constitution of our empire be revised drastically upon the basis of the general will of the people and the principle of respect for the fundamental human rights. I command hereby the competent authorities of my government to put forth in conformity with my wish their best efforts toward the accomplishment of this end."

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SWNCC 272 Series

*Memorandum by the State-War-Navy Coordinating Subcommittee for the Far East*<sup>28</sup>

SECRET

[WASHINGTON,] 11 March 1946.

SWNCC 272/1

#### SOVEREIGNTY OF FORMOSA

1. The State-War-Navy Coordinating Subcommittee for the Far East has considered the cable from the Commanding General, U.S. Forces, China Theater, presented in SWNCC 272/D,<sup>29</sup> and recommends that the following action be taken:

a. Upon approval by the SWNCC of the cable in the Appendix, the cable be forwarded to the JCS for transmittal to the Commanding

<sup>27</sup> March 5.

<sup>28</sup> Approved by SWNCC on March 25 and transmitted by Department's instruction 511, March 28, 1946, to Chungking. The Joint Chiefs of Staff sent the same as War 83004, 2 April 1946, to the Commanding General, U.S. Forces, China Theater (Wedemeyer) at Shanghai.

<sup>29</sup> March 5, 1946, not printed.

General, U.S. Forces, China Theater, subject to their comments from a military point of view;

b. Upon notification by the JCS that the cable in the Appendix has been dispatched to the Commanding General, U. S. Forces, China Theater, the cable be forwarded by SWNCC to the State Department for appropriate action.

[Annex]

*Draft Message to Commanding General, United States Forces, China Theater, Shanghai, China*

SECRET

(Reference, Cfbx 23362<sup>30</sup>)

1. a. The Cairo Declaration of December 1, 1943, provides that "Formosa . . . shall be restored to the Republic of China".

b. The Potsdam Declaration of July 26, 1945, provides in paragraph 8:

"The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku, and such minor islands as we determine".

c. The first paragraph of the Instrument of Surrender of September 2, 1945, reads:

"We, acting by command of and in behalf of the Emperor of Japan, the Japanese Government, and the Japanese Imperial General Headquarters, hereby accept the provisions set forth in the declaration issued by the heads of the Governments of the United States, China and Great Britain on 26 July 1945, at Potsdam, and subsequently adhered to by the Union of Soviet Socialist Republics, which four powers are hereafter referred to as the Allied Powers."

d. In view of the foregoing, it would appear that Japan has lost sovereignty over Formosa.

e. By virtue of the assumption and exercise of governmental authority by the Republic of China in Formosa pursuant to the Cairo Declaration and the signature of the representatives of the governments of China and Japan, the State Department considers that Formosa has been restored to the Republic of China but that this transfer may eventually have to be formalized by appropriate treaty arrangements.

2. The position of the United States in regard to Japanese assets located in Chinese territory formerly occupied by the Japanese was communicated to the American Embassy at Chungking in a telegram dated September 25, 1945.<sup>31</sup> It was stated that, provided provision is made for subsistence of Japanese nationals pending repatriation

<sup>30</sup> February 16, 1946, not printed.

<sup>31</sup> No. 1543, not printed.

and for financing from such assets expenditures directly related to the repatriation or resettlement of Japanese nationals or other displaced persons in China and provided United Nations' interests which may have been co-mingled with Japanese properties are not confiscated, the United States Government had no objection to Chinese action confiscating on behalf of the Chinese Government Japanese private and public property physically located in Chinese territory formerly occupied by the Japanese which would return to Chinese jurisdiction; that at the time of final settlement of reparations the United States Government would assume the position that Japanese assets confiscated by China should be credited against the Chinese Government's reparation claims; and that, therefore, account should be kept of the value of the property so confiscated.

3. In view of the legal opinions expressed in paragraph 1 above, the position of the United States outlined in paragraph 2 above is held to be applicable to Formosa as well as other Chinese territory formerly occupied by the Japanese which has now returned to Chinese control.

4. Above is for your information. The disposition by the Chinese of Japanese property in Formosa and the national status of residents of Formosa (as distinguished from the operational task of repatriation of Japanese) are considered to be political matters which may best be handled through normal diplomatic channels. This statement is therefore being forwarded by the State Department to the U.S. Embassy in Chungking for appropriate action in consultation with you.

5. Repatriation procedure outlined in second paragraph your Cfbx 23362 approved.

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740.00119 Control (Japan)/3-1246

*Memorandum by Mr. William J. Sebald, of the Office of the Political Adviser in Japan*<sup>32</sup>

[Extract]

CONFIDENTIAL

TOKYO, March 12, 1946.

POLITICAL PARTIES IN JAPAN: DEVELOPMENTS DURING THE WEEK  
ENDING MARCH 9, 1946

*Summary.* The bickerings of the political parties were almost entirely overshadowed by the publication of the Government's draft Constitution,<sup>33</sup> strongly supported by simultaneous statements issued

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<sup>32</sup> Copy of memorandum transmitted to the Department in despatch 302, March 12, 1946, from Max W. Bishop, of the same office; received March 25.

<sup>33</sup> For text of second Japanese Government draft of constitution (Cabinet draft), March 6, see *Political Reorientation of Japan*, p. 631.



by the Supreme Commander,<sup>34</sup> the Emperor, and the Cabinet. With the exception of the Communist Party, all major parties have announced their approval of the new Constitution, despite difference of opinion on minor points. It appears safe to anticipate a whole-hearted support for the document, irrespective of which major party may gain preponderant influence in the coming election. The Communist Party, on the other hand, demands a thorough revision; but its statement voicing disagreement with the new Constitution relies more on communistic clichés following the party line than upon objective criticism. (Comments made by the political parties concerning the new Constitution are contained in an Appendix.<sup>35</sup>) The position of the Emperor and constitutional revision plans appear to be no longer live issues in the election campaign, but numerous important problems might well be debated by the candidates in preparation for consideration in the next Diet. If Japanese political behavior in the past is taken as a guide for the probable pattern of Japanese democracy in the immediate future, there appears some doubt that competent leadership will emerge from the Diet. The difficulties to be faced by the new Diet, must largely depend for their solution upon party leadership, discipline, and organization. As yet, no political party has demonstrated an awareness of the responsibilities with which it would be faced were it to obtain a majority, nor has any clue been furnished concerning their probable procedure in that event. The political parties must find the necessary leadership to initiate Japan along the road to a democratic state, and to fill the vacuum left by the elimination of many experienced leaders from the political scene and from Government. As of March 9, the Progressive Party announced that more than 300 candidates cleared by the Government will run under the Party's banner; the Social Democratic Party presently has 264 such candidates; and the Liberal Party expects to have some 300, including Hatoyama Ichiro, its president. *End of Summary.*

WILLIAM J. SEBALD

740.00119 Control (Japan)/3-1446

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

No. 308

TOKYO, March 14, 1946.  
[Received March 26.]

SIR: I have the honor to refer to this Office's telegram no. 212, December 17, 1945<sup>36</sup> raising certain questions in regard to SWNCC draft

<sup>34</sup> March 6. See *Political Reorientation of Japan*, p. 657.

<sup>35</sup> Not printed.

<sup>36</sup> *Foreign Relations*, 1945, vol. VI, p. 885.

directive 192/3, November 28, 1945,<sup>37</sup> concerning the exercise of criminal and civil jurisdiction over United Nations nationals in Japan.

There are transmitted copies of two directives<sup>38</sup> of the Supreme Commander for the Allied Powers to the Japanese Government dated February 19 and 26, 1946, concerning the exercise of criminal and civil jurisdiction respectively over United Nations nationals in Japan. There is also enclosed a press release of the Public Relations Office, SCAP, dated February 19, 1946, describing the operation of the military occupation courts established by the directive of that date.

These directives are presumably in implementation of the SWNCC directive referred to above. It is apparent, however, that certain questions raised in telegram no. 212, such as the exact status of jurisdiction over Formosans, Koreans and neutral foreigners, remain obscure.

The policy set forth by these directives appears to have caused considerable discussion in private Japanese circles, with some members of the Japanese legal profession calling attention to the extraterritoriality aspects. However, the Japanese press has contented itself with purely factual reporting and no editorial comment has come to the attention of this Office.

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

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894.5018/3-1646: Telegram

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

SECRET

Tokyo, undated.

[Received March 16—6 p. m.]

Following message to Anderson, Secretary of Agriculture, and Clayton, Asst Secretary of State, from Harrison:<sup>39</sup>

“Have investigated carefully basis for computation of food requirements for feeding Japanese civilians as reported in radios C 58445 and CA 58100. Particular investigation has been made of the following points: (a) Reduction in ration level. (b) Use of foodstuffs for non-food purposes. (c) Food stocks on hand. (d) Procedure for gathering in rural areas. (e) Control of black marketing and hoarding. (f) Action taken to increase indigenous production, especially fish and early maturing crops. (g) Action taken to obtain food from other areas in orient. (h) Show extent to which Army and Navy surpluses, Pacific area, are being utilized. (i) Spoilage and wastage of

<sup>37</sup> Not printed.

<sup>38</sup> Enclosures not printed.

<sup>39</sup> Col. R. L. Harrison, Assistant Administrator for Fiscal and Inventory Control, Production and Marketing Administration, Department of Agriculture.



foodstuffs. (j) Accuracy of crop estimates, past and present. (k) Percentage of extraction in milling processes.

As a result of these investigations we are convinced that stated requirements reflect conservatism, are realistic, and have been arrived at after maximum allowances for all available resources, economics and production increases. Long range plans relating to all points listed above have been well developed and are being vigorously executed.

Fully recognizing the worldwide food shortage and desiring to cooperate to the maximum extent possible in its alleviation, SCAP has agreed to reduce the basic ration to the Japanese, which is already 20% below recognized subsistence level, to the lowest possible level. It is believed that even this level cannot be maintained unless cereals are shipped in the amount of 200,000 tons for the months of March, April and May, with any shortfall in any month carried over to the succeeding months, making a total shipment for the next 75 days of not less than 600,000 tons. To the extent that they are available, oats and dried white potatoes of equal caloric value may be substituted for cereals. It must be recognized that the lowered basic ration necessitated by these reduced shipments will have an adverse effect on re-conversion and production in all vital industries, especially textiles, mining and fishing. It must also be recognized that if this reduction proves to have been too great, subsequent shipments of foodstuffs will have to be increased to reestablish basic ration at a higher level. SCAP estimates this quantity of grain will only provide a total caloric intake of approximately 800 to 900 calories per day for non-self suppliers during most critical period. Your attention is invited to the following facts,

(a) 1946 food shipments to Japan from USA, exclusive of those for direct relief, through first half of March have total only 24,600 tons.

(b) Food shipments of 200,000 tons per month for March, April and May as requested, represent a decrease from previous requests for these months of approximately 162,000 tons per month or a reduction of 44%.

Documented written report will be airmailed for action on this request cannot be delayed pending its receipt. Request that this quantity of grain or suitable substitutes be given highest shipping priority and no efforts spared to get it aboard ship at the earliest possible moment. Also request that you radio immediately if you concur in the quantities requested and will make them available per above schedule. Firm commitment on quantities and shipping schedule absolutely imperative for ration planning and publicity campaign at a later date. Absolutely no publicity or information on allocations should be released at Washington at this time. To do so will have adverse effect here on anti-hoarding campaign.

Further investigation will cover requirements for balance of year. This investigation will include visits to rural and urban areas now reported in deficit status. Upon completion, radio recommendations will be submitted and written report airmailed. It is anticipated that this investigation and preparation of final report will require approximately 2 weeks. ["]

[BISHOP]



740.00119 Control (Japan)/3-1946

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

CONFIDENTIAL

Tokyo, March 19, 1946.

No. 311

[Received March 26.]

SIR: I have the honor to refer to this Office's despatch No. 296, March 8, 1946, transmitting copies of the Japanese Government's recently published draft constitution, and to enclose a memorandum of comment by a member of the staff of this Office on the new draft constitution. Also enclosed are copies (in sextuplicate) of the Headquarters' daily Press Analyses of March 7 through March 16, presenting a summary picture of the reaction of the Japanese press to the new constitution, and certain additional press excerpts.<sup>40</sup>

It is pointed out in the memorandum that the new constitution is unquestionably a liberal and progressive document. At the same time it is stated that the manner of the draft's preparation and presentation and its un-Japanese phrasing and style, among other factors, have led most Japanese to assume that the document is more of American than of Japanese authorship, a fact which may reduce the possibilities for its long-range acceptance and support by the Japanese people. Article IX of the draft, wherein Japan "forever" renounces the right to maintain armed forces, is termed a provision which must immediately commend itself to all forward-looking persons but the beneficial or, not inconceivably, harmful effects of which can be revealed only by future developments.

It was first reported that the Government planned to introduce bills at the next session of the Diet to alter existing regulations for the revision of the Constitution in order to permit the Diet to amend instead of merely to oppose or reject *in toto* proposed Constitutional changes, and to effect a provisional reform of the House of Peers. With these changes accomplished, a second session was reportedly to be called in August or September especially to consider the new draft constitution. The *Asahi* of March 15, however, reported that a majority of Ministers had taken the position at a Cabinet meeting March 12 that "it would be better, considering the internal and external situation, to accomplish the revision as soon as possible", and that it had accordingly been decided to submit the draft revision to the extraordinary session of the Diet immediately following the elections. The report indicated that the Cabinet planned to remain in office to sponsor its draft before the new Diet.

In the intervening weeks before submission of the draft to the Diet and during the period of debate, much may be accomplished to de-

<sup>40</sup> Enclosures not printed.

velop a greater sense of Japanese authorship and responsibility for constitutional revision. There is enclosed copy of an editorial (see Enclosure No. 3) which appeared in the *Nippon Times* on March 16 in which it is strongly urged with well reasoned arguments that the Japanese people must give deep thought to the draft constitution and must carefully debate its provisions. It is reliably reported that the Supreme Commander has directed inquiries from Japanese press representatives regarding certain aspects of the Cabinet's draft to the Japanese Government with the statement that revision of the Japanese constitution is the duty and responsibility of the Japanese people and Government.

Any draft revision to command serious attention of the Japanese people as likely of adoption must clearly be without objection to the recognized center of power, i.e., SCAP. Until there were clear knowledge of SCAP's lack of objection, hesitancy and indecision would in all likelihood prevent accomplishment of desirable constitutional revision. Nevertheless, for the fundamental principles clearly established and approved by the Supreme Commander and the Emperor to become accepted by Japan, the Japanese people must now constructively take hold of the constitutional problem and create a finished product of their own which will endure. If there is developed among discerning Japanese a true feeling that the new constitution is *sui generis* to Japan and if a popular belief in its Japanese origin is created, the fundamental and progressive changes now officially advocated by the Government will have much greater prospect of enduring than may appear at this moment.<sup>41</sup>

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

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740.00119 FEAC/3-2146

*Memorandum by the Acting State Department Member of the  
State-War-Navy Coordinating Committee (Matthews) to the  
Committee*

[WASHINGTON,] March 25, 1946.

There is enclosed a certified copy of a statement of policy adopted by the Far Eastern Commission under the provisions of paragraph II,A,1 of its terms of reference at its fourth meeting on March 20, 1946, and submitted to the United States Government for the prepa-

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<sup>41</sup> In despatch 395, April 26, 1946, from Tokyo, the Political Adviser in Japan (Atcheson) enclosed "the revised draft, written in colloquial Japanese and containing a number of minor substantive changes, made public by the Government April 17." (894.011/4-2646) The text is printed in *Political Reorientation of Japan*, p. 637.

ration of a directive in accordance with paragraph III, 1 of the terms of reference.

It is requested that the text of this document be forwarded to the Joint Chiefs of Staff for transmission to General MacArthur for his guidance as a directive in accordance with paragraph III,1 of the terms of reference of the Commission.<sup>42</sup>

H. FREEMAN MATTHEWS

[Annex]

*Policy Statement by the Far Eastern Commission, March 20, 1946*

The Commission has received from the United States Government the text of a draft constitution which appears to have been drawn up in compliance with an Imperial rescript, the text of which has also been supplied by the United States Government, along with the Supreme Commander's comments on that text.<sup>43</sup>

The opening sentences of this draft indicate to the Commission that it will be presented to the first session of the Japanese Diet which will be chosen at the forthcoming general elections. The Commission therefore assumes that this and possibly other texts will be debated in the Diet and that amendments may be offered and perhaps other proposals introduced.

The Commission, therefore, desires that the Supreme Commander keep it informed of the progress and development of this and other drafts that may be considered by the Diet.

For mindful of its responsibilities under its Terms of Reference for the formulation of policy in regard to the implementation of the surrender terms, and of the important bearing which this or any other proposed changes in the constitutional structure of Japan may have upon the decisions in carrying out that responsibility, the Commission desires that the Supreme Commander for the Allies make clear to the Japanese Government that the Far Eastern Commission must be given an opportunity to pass upon the final draft of the Constitution to determine whether it is consistent with the Potsdam Declaration and any other controlling document before it is finally approved by the Diet and becomes legally valid.

The Commission believes that in this way hasty action by the Japanese Diet will be prevented and time given for all elements inside and outside the Diet to consider this very important question and bring to

<sup>42</sup> A circular telegram in regard to the Commission's first directive to General MacArthur was sent April 1, 1946, 9 a. m., to Diplomatic and Consular Officers at Chungking, London, Manila, and Moscow (740.00119 Control (Japan)/4-146).

<sup>43</sup> Both dated March 6, *Political Reorientation of Japan*, pp. 631 and 657.



that consideration all available thought produced by the freely expressed will of the Japanese people.

In this connection the Commission notes the encouragement given to the Japanese people in the Supreme Commander's announcement that this draft of a proposed constitution has his personal approval. It is somewhat apprehensive that this approval may be misunderstood by the Japanese public and taken to mean that this particular draft has the approval of the Powers represented on this Commission.

As such is not necessarily the case and as the Commission does not want to take any action in regard to this or any other draft constitution that might prejudice Japanese public opinion for or against any proposal of this nature, it considers that the Supreme Commander for the Allied Powers should in some appropriate manner make it known to the Japanese people that while this draft of a proposed Constitution is a document of obvious merit and is available now for consideration and study, the fact that it is a draft prepared by the Government does not preclude favorable consideration of other proposals or drafts which may be submitted to the Diet for study and comparison.

The Commission requests that the United States Government inform the Supreme Commander of its views as expressed above, and since the constitutional issue is one that is likely to influence the votes of the electors, it do so with a minimum of delay.

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740.00119 FEAC/3-2646

*Memorandum by the Office of Far Eastern Affairs to the Operations Division, War Department General Staff*

[WASHINGTON,] March 26, 1946.

Subject: Forthcoming Japanese Elections

The Far Eastern Commission, acting under paragraph VI, 1 of its terms of reference, which provides for the making of arrangements through the Chairman for consultation with the Supreme Commander for the Allied Powers, desires to obtain the Supreme Commander's views regarding the forthcoming Japanese elections and has asked the Chairman to arrange for the dispatch of a message to General MacArthur along the lines of the enclosure. The Chairman of the Commission has requested the Secretary of State to make such arrangements as he deems practicable to obtain the desired information from the Supreme Commander.

It is requested that the War Department take the necessary action in regard to this matter.

## [Annex]

*Proposed Message From the Far Eastern Commission to General of the Army Douglas MacArthur*

The Far Eastern Commission has given some short preliminary and tentative consideration to the position that may arise after the forthcoming Japanese elections. Having regard to the established position throughout the country of the more reactionary political parties, and to the very short period available to the parties of a more liberal tendency to circulate their views and organize support, the members of the Commission are not without the apprehension that the holding of the election at such an early date may well give a decisive advantage to the reactionary parties and thus create the embarrassment of a Japanese Government elected in terms of the Potsdam Declaration "in accordance with the freely expressed will of the Japanese people", which might not, in fact, truly represent their wishes, and with which it might prove impossible for the Supreme Command to cooperate. From another point of view, the Commission feel the difficulty of expecting a fully instructed, intelligent and authoritative expression of the views of the Japanese people on their political future during this uncertain period when the whole of the future economic structure of Japan is still in doubt, and when a proportion of the electorate must necessarily be disfranchised owing to absence. Finally, the issue of the draft Constitution, of which you have approved, makes the Constitution at this late stage an election issue, upon which there can be little time for consideration by the Japanese people, and at the same time may give an undue political advantage to the political party preferring this Constitution.

The Far Eastern Commission would be most grateful if the Supreme Commander could let them have a very early expression of his views generally, and in particular on the following questions:

1. Does the Supreme Commander share the apprehensions expressed above?

2. If so, would he consider it possible and desirable to require a further postponement of the Japanese elections, and in that case, for what period?

3. If the Supreme Commander should not consider a further postponement desirable at this late date, would he express his views on the desirability, as an alternative, of publicly prescribing that the forthcoming election will be regarded as a test of the ability of Japan to produce a responsible and democratic government in full accordance with the wishes of the people and that further elections will be held at a later date[?]

740.00119 Control (Japan)/3-2846: Telegram

*The Acting Secretary of State to the Counselor of Embassy in China  
(Smyth) at Chungking*

TOP SECRET

WASHINGTON, March 28, 1946—6 p. m.

550. You may inform the Chinese FonOff, in reply to questions raised in your 535, Mar 21, 1 PM,<sup>44</sup> as follows:

(1) It is impracticable at this time to make any determination as to the period it may be advisable to occupy Japan but you may add that an early termination of the occupation is not now contemplated.

(2) It has been the policy of this Govt since the surrender of Japan to consult with and seek the collaboration of other interested powers in matters pertaining to the occupation of Japan and we would expect that any decision with regard to termination of military occupation would be arrived at after consultation with the interested powers.

ACHESON

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894.5043/3-2846

*The Chief of the Division of Japanese and Korean Economic Affairs  
(Martin) to Colonel J. R. Gilchrist, of the Civil Affairs Division.  
War Department*

SECRET

WASHINGTON, March 28, 1946.

DEAR COLONEL GILCHRIST: I enclose copies of two memoranda on the Trade Union Law passed by the Diet in December and recently promulgated. The first was prepared by the Far Eastern desk man in the Division of International Labor, Social and Health Affairs of the Department of State.<sup>45</sup> He was largely responsible for the drafting of SWNCC 92/1, the official statement of U.S. policy with respect to "Treatment of Japanese Workers' Organizations." The second, which is in part a comment on the first, was prepared by the Assistant Director of the Division of Industrial Relations of the Department of Labor.<sup>46</sup>

I should like to request that these memoranda be pouched by the War Department to SCAP for the information of the technical personnel in ESS<sup>47</sup> working on these problems. They do not constitute either directions for further or corrective action, nor criticism of what SCAP has done to date. The advantage of accepting Japanese initi-

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<sup>44</sup> Not printed; it reported that the draft treaty on disarmament and demilitarization had been presented to the Chinese Foreign Office on March 6 (740.00119-P.W./3-2146).

<sup>45</sup> See Mr. Sullivan's memorandum of January 31, p. 128.

<sup>46</sup> See Mr. Roberts' memorandum of February 13, p. 138.

<sup>47</sup> Economic and Scientific Section of SCAP, headed by Maj. Gen. William F. Marquat.



ated legislation, though it may fall short of our objectives at first, over a dictated prompt and full enactment of our views in the letter of the statute is fully appreciated. However, as their political education progresses and is reflected in the Diet and Cabinet, amendments to the Trade Union Law will undoubtedly be considered by the Japanese. These memos should be useful to SCAP in preparing for such further discussions on labor legislation as may take place between SCAP and the Japanese Government. How active a role SCAP may choose to play in such changes is, of course, a tactical matter entirely in his hands.

Sincerely yours,

EDWIN M. MARTIN

740.00115 PW/3-2946

*The Officer in Charge of the Office of the Political Adviser in Japan  
to the Department of State*

No. 340

TOKYO, March 29, 1946.

[Received April 8.]

The Officer in Charge has the honor to forward copies, in quadruplicate, of a memorandum from the Supreme Commander for the Allied Powers to the Japanese Government, dated March 16, 1946,<sup>48</sup> which sets forth basic instructions covering the repatriation of Japanese nationals from the areas of the various military commanders in the Far East and of displaced persons in Japan formerly domiciled in China, Formosa, and the Ryukyus. This directive supersedes all previous instructions to the Japanese Government on the general subject of repatriation.

It will be noted that the directive will not apply to the repatriation of Japanese nationals from the areas under the military control of the Commander in Chief of Soviet Forces in the Far East until appropriate agreements have been consummated.

740.00119 Control (Japan)/4-146

*The Chairman of the Far Eastern Commission (McCoy) to the  
Secretary of State*

WASHINGTON, 1 April 1946.

MY DEAR MR. SECRETARY: On 25 March 1946 I transmitted to you the text of an inquiry on behalf of the Far Eastern Commission to the Supreme Commander for the Allied Powers in Japan<sup>49</sup> relative to the date of the forthcoming Japanese general election, with the

<sup>48</sup> Scapin-822, not printed.

<sup>49</sup> See annex to memorandum of March 26, p. 183; the text is also printed in *Political Reorientation of Japan*, p. 716.

request that this be transmitted through the United States Government in accordance with the Terms of Reference of the Commission.

General MacArthur's reply has since been received, and I enclose a copy of it.<sup>50</sup> The Commission met on 30 March 1946 to consider this reply and decided that any action on its part in connection with the forthcoming elections was unnecessary.

It is now the wish of the Commission to release to the press its own original communication to General MacArthur, and at the same time it would like to release the General's reply.

I concur in this and at the request of the Commission am writing to ask that early clearance be given for the publication of this classified document.

Sincerely yours,

FRANK R. MCCOY  
*Major General, USA (Ret.)*

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740.00119 Control (Japan)/12-1046

*Memorandum by the Military Intelligence Section, General Staff, of  
the Supreme Commander for the Allied Powers in Japan*<sup>51</sup>

[Tokyo,] 2 April 1946.

Subject: Official Status of People of Taiwan.

To: Representative of Ministry of Foreign Affairs of the Republic of China.<sup>52</sup>

1. With reference to your letter of March 6, 1946,<sup>53</sup> it is noted that you are in receipt of a governmental order dated January 12, 1946, issued by the Executive Yuan of the Republic of China restoring to the Chinese people of the Province of Taiwan their Chinese nationality on and from October 25, 1945. You may rest assured that prompt and appropriate consideration will be given to any instances of discrimination against any Chinese national in Japan. All Chinese people, whether from the province of Taiwan or from any other province, must receive the same treatment in Japan as any other United Nations national. There are, of course, a number of problems involved. For example, the question arises whether the Chinese Government has clearly established its views in regard to the citizenship of individuals of mixed parentage (i.e. Chinese-Formosan, Japanese-Formosan, Chinese-Japanese, etc.), of persons who have established their residence in Japan and committed acts of active collaboration with the Japanese, and of persons who though born in the province of Taiwan elect to

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<sup>50</sup> Dated March 29, *ibid.*, p. 717.

<sup>51</sup> Copy of memorandum transmitted to the Department by the Political Adviser in Japan in his despatch 770, December 10, 1946; received December 19.

<sup>52</sup> Tseng-hua Liu.

<sup>53</sup> Not printed.

remain in Japan rather than accept repatriation. It would perhaps be helpful to clarify some of these questions if there were available copies of the laws and regulations of the Republic of China governing the citizenship of natives and former residents of Taiwan. It is assumed that the competent Chinese officials will in due course pass upon the *bona fides* of Chinese nationals or persons claiming Chinese nationality now in Japan.

2. With reference to your remarks concerning the use of the word "Taiwanese", it would seem that unless use of this term is in some way discriminatory or derogatory, action might be misinterpreted as not being in keeping with a democratic attitude toward the press if restrictive orders were to be given unnecessarily. It is believed that the use of this term might be comparable to the American vernacular expression of referring to a person from the State of California as a "Californian". However, if the Chinese Government should feel that by use of the term "Taiwanese" there is any derogatory or discriminatory connotation, due consideration will be given promptly to the views of the Chinese Government.

3. It is desired that any instances in which Chinese nationals from the province of Taiwan now residing in Japan receive less favorable treatment from the Japanese authorities than other Chinese nationals be brought to the attention of this Headquarters.

For the A. C. of S., G-2:  
s/F. T. ARMSTRONG  
Colonel, GSC  
Executive Officer, G-2

740.00119 Control (Japan)/4-546

*Memorandum of Conversation, by Mr. Max W. Bishop, of the Office of the Political Adviser in Japan* <sup>54</sup>

SECRET

[Tokyo,] April 4, 1946.

FOR AMERICAN EYES ONLY

Subject: Reorganization of the Office of the United States Political Adviser

General MacArthur, after a few remarks of greeting, stated that the reorganization of the Office of the United States Political Adviser would be postponed until the return of Mr. Atcheson. He said that all of the suggestions contained in recent telegrams from the Department were entirely agreeable to him; and added that as a matter of fact there would be no far-reaching "reorganization", but that the work of the Office would go on much as it had before. He added that the

<sup>54</sup> Copy of memorandum transmitted to the Department by Mr. Bishop in his despatch 353, April 5, 1946; received April 12.



Office would then be able to call upon SCAP for all of the information available to Headquarters; that in the past the Office of the Political Adviser had relied for the most part on information obtained from the press and that much of the material this Office had sent to the Department and which he had seen lacked merit; that the name of the staff section would be "The Diplomatic Section"; that the Officer in Charge, Mr. Atcheson, would retain the title "United States Political Adviser" as it seemed apparent that the Department of State wished to keep that title; that the new section would handle all such matters as are "normally handled by the Department of State, i.e., matters of international relations, foreign policy, 'diplomacy', and the like"; and that as soon as the reorganization took place we could discontinue the political report (Weekly Report on Political Parties) which we are now sending him as the subject matter actually is in the province of the Government Section. He added that if it were desired, we could, of course, continue to send the report to the Department of State. In this connection, General MacArthur went on to point out that it had been his understanding before Mr. Atcheson's arrival that there would be established within SCAP a political section and that Mr. Atcheson, as the United States Political Adviser, would head this political section. However, he went on to say, when Mr. Atcheson arrived and explained to General MacArthur his instructions from the Department of State, it was apparent that the intention in Washington was for Mr. Atcheson to serve the Department of State and not SCAP. Therefore, General MacArthur added, it had been necessary for him to change his plans entirely and to establish a "Government Section", in place of the political section he had originally expected to establish. He said that the Government Section is now established and functioning well and that he intended to have it continue as at present.

Continuing with the question of "reorganization", General MacArthur said that the plan which had now been agreed to by the Department of State was exactly what he had had in mind in the very beginning and that after the reorganization we would be a member of the team and he hoped that we would function as a member of the team. Mr. Bishop stated that he had during the brief time he had been in charge made every effort to cooperate in every possible way with the Supreme Allied Commander and with the various sections of SCAP. General MacArthur replied that the work of the Office had been excellent and that he was not in any way questioning our cooperation and sincerity and that he felt that we had done a good job, but that in the future we would be members of the team and we should be able to function more efficiently.

As he envisioned it, the new Diplomatic Section would have two primary functions: first, the diplomatic or State Department functions which he expected would expand greatly and rapidly; and second, function of advice in connection with the activities of the Allied Council for Japan.

In regard to the latter, General MacArthur said that there might well be certain Powers represented on the Allied Council for Japan which would have as their primary objective one of sabotage and obstruction to the occupation, and that he would rely on the Political Adviser to meet this challenge to the foreign policy of the United States. He pointed out that one of the best methods of defense is offense, and that should a country such as Soviet Russia attack the foreign policy of the United States, especially as reflected in occupation policies and developments, we should be prepared immediately to counter with equally embarrassing and revealing questions and statements. As an example, he suggested that it might be worthwhile to inquire why Soviet Russia does not shoulder a share of the burden of the occupation and send troops to participate in the occupation of Japan. He said that he would not expect or want the American side of the Allied Council to protect SCAP, that he, as Supreme Commander for the Allied Powers, would give due weight to the remarks made by any of the members of the Allied Council, and implied that he would himself protect the position and reputation of the Supreme Allied Commander. It was his desire, however, that the United States Political Adviser protect the foreign policy of the United States in Council meetings.

Pointing out that the Soviet political adviser, Mr. Malik, was an astute and cultured man with a long background in Japan, General MacArthur made further remarks that he expected the United States Political Adviser to be prepared to meet and to cope with the strategy and tactics which might be adopted by Mr. Malik, or for that matter, by any other person present at the Council meeting. He said that he expected to talk with Mr. Acheson along these lines as soon as the latter returned and that he regretted that the first meeting of the Council must necessarily take place before Mr. Acheson's return, but that owing to the pressure from other countries, especially Australia, it had been impossible for him to postpone the first meeting any longer. He said that Mr. Bishop might have opportunity to pass on these remarks to Mr. Acheson when he returned to Japan and before he saw General MacArthur.<sup>55</sup>

M[AX] W. B[ISHOP]

<sup>55</sup> As reported in telegram 182, April 19, 1946, from Tokyo, General MacArthur on April 18 issued his general order no. 18 as follows: "1. The Diplomatic Section is established as a special staff section of this Headquarters. 2. Minister George Acheson, Jr., the Political Adviser, is assigned as Chief of the Diplomatic Section." (740.00119 Control (Japan)/4-1946)



894.42A/4-946

*The Officer in Charge of the Office of the Political Adviser in Japan  
to the Department of State*

No. 359

Tokyo, April 9, 1946.

[Received April 16.]

The Officer in Charge has the honor to forward under separate cover two copies of the report of the United States Education Mission which was submitted to the Supreme Commander for the Allied Powers on March 30, 1946.<sup>56</sup> This report sums up the work of the Mission, details its findings regarding the characteristics and deficiencies of the Japanese educational system, and sets forth recommendations for the democratic reorientation of education in Japan. A digest appears as the last section of the report, on pages 112-123.

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740.00119 Control (Japan)/4-1046: Telegram

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*<sup>57</sup>

SECRET

Tokyo, April 10, 1946.

[Received April 11—5:58 p. m.]

171. Comment by Secretary or by the Dept is likely to be called for on results of the election in Japan. The following observations are offered in the interests of a unified American attitude supporting Japan's initial democratic effort under the occupation:

In view of problems raised by Soviet attitude toward elections in Japan, by questions posed by Far Eastern Commission and by prob-

<sup>56</sup> See Department of State *Bulletin*, May 5, 1946, pp. 768-772 for Chairman George D. Stoddard's letter of March 30 to General MacArthur, General MacArthur's statement of April 6, and digest of the mission's report. In a memorandum of April 19 to the Secretary of State, the Assistant Secretary, William Benton, brought the foregoing to the attention of Mr. Byrnes as "a subject of great world importance—the reorientation and re-education of the Japanese people. Mr. Byrnes noted the report as follows: "O.K. J. F. B." (740.00119-Control(Japan)/4-1946)

<sup>57</sup> In telegram 174, April 10, 1946, Mr. Bishop reported that General MacArthur had "expressed his complete concurrence with views contained" in telegram 171 and favored giving copy of it to General McCoy. Copy was transmitted to General McCoy through Erle R. Dickover of the U.S. delegation to the Far Eastern Commission on April 16. At the same time General McCoy was sent a copy of a memorandum of comment on this telegram, written by the Assistant Chief of the Division of Japanese Affairs (Emmerson), recently returned from Japan; this had also been submitted to the Under Secretary of State. Mr. Emmerson concluded: "In Japan the best course to pursue is to proceed positively and energetically to strengthen those political elements and tendencies which lead toward final fulfillment of the objectives of the Potsdam Declaration. Our choice of such elements must be based upon penetrating scrutiny of individuals and groups without reference to political clichés. If we are persistent, our influence upon the now very malleable Japanese will be decisive and the Communists will remain a minority impressive in noise, but not in influence." 740.00119 Control (Japan) /4-1046)



ability that majority of new Diet members will be elected from among candidates of Progressive and Liberal parties and various independent groups, it is believed highly desirable that United States be prepared to present and defend a sound American attitude toward Jap political developments. Unless the issues are clearly drawn and unless there is evolved an objective approach to those issues, we may fall victim to partisan attacks. It is regrettable that already there have appeared indications that some quarters in United States may consider the Communists and the so-called left wing Social Democrats as the only true liberal elements in Japan.

In evaluating the situation, it is difficult to over emphasize the importance of understanding Jap psychology fundamentally unlike that of any western people. It is impossible to measure by any western standard Jap reactions to particular set of circumstances and equally impossible to predict Jap actions on the basis of western logic. Japan's proclivity to swing from the moderate to the extreme is well known, and if situation becomes as acute as some observers expect, drastic changes could easily take place.

There is widespread misconception as applied to Japan of the terms "democratic", "reactionary", "conservative", "right wing", "left wing" and other terms prominent in the vocabulary of Soviets and Communist leaders. The statements regarding the election by the Soviet member of Allied Council at its first meeting are illustrative of attempts to create confusion, indecision and distrust and to discredit our occupation policies and accomplishments by scurrilous remarks regarding all political elements except those admittedly Communist or covertly aligned with the Communists.

As a matter of fact all political elements, not openly or covertly Communist, are united in their opposition to the extremist principles of Communism. Careful scrutiny of the principles advocated by the Progressive, Cooperative and Social Democratic parties fails to reveal any doctrine which might even remotely be considered as inimical to the development of democracy. On the contrary, in the programs of these parties are found democratic principles for political, social, financial and economic reforms of far reaching significance and scope.

Except for the Communist Party, each of the major Jap political parties counts among its membership individuals with wide variations of political beliefs and practices. In the aggregate these parties fairly represent a cross section of the Jap people. Espousal of evolutionary developments along democratic lines as opposed to revolutionary and increasingly violent methods of the Communists does not appear to be adequate basis for classification as a "force of reaction". An outstanding example of difference between Communistic and non-Com-

munistic groups is found in the respective attitudes of the several parties toward the recently published Government Constitution draft. The Progressive party gives unqualified support. Except for minor changes Liberal, Social Democratic and Cooperative parties also approve and support draft. Only Communist party has announced its complete opposition and advocacy of a draft in accordance with Communist ideology.

The Communist Party and its leaders have baldly and repeatedly asserted their ultimate goal to create a "single-class, single-party" state. Such a state in fact can mean only a Communist dictatorship under which no democratic, minority or contrary opinion of any sort would be tolerated. It is unimportant that for an interim period and for their own advantage the Communists are willing to accept temporary partnership with other political elements which the Communists, sooner or later, expect to destroy.

It would seem difficult for United States, in good conscience, to support or condone any such Communistic program. It would, of course, be a negation of democratic principles to deny, or to allow the Japs to deny the Communists a right to speak and to be heard. At the same time it would be folly to ignore the instincts of security and to contribute, directly or indirectly, to the delusion that the Communists in the face of their declared principles and aims are a truly liberal or democratic group. For purposes of evaluation in the light of American policy, the political scene in Japan, then, may be divided into Communist and non-Communist groups, the latter comprising presently the overwhelming majority of the people. The USSR has a well disciplined political instrument of Soviet policy in Jap Communist party. United States has no such instrument.

To expect the Japs overnight to develop an informed, intelligent and discerning electorate would be to expect a miracle. Similarly to hope that all new Diet members, inexperienced as they will be, will prove themselves immediately democratic statesmen with no connection with Japan's past, would be to invite disillusionment. However, during the present period of tutelage, it would seem lacking in political sagacity to cast aside stable elements which oppose communizing this country and to belittle the cooperative efforts of Japan's majority to move toward democratic government.

Only among non-Communist groups in Japan will there be found permanent support for American programs and policies. Statements or implications that because of their "conservatism" the majority of Japs are unworthy of our consideration or cooperation, if not actual support, could only result in serious harm to American policy and in positive strengthening of Soviet position. Accordingly, every effort



should be made to avoid bolstering Jap Communists who in final analysis support Soviet attempts to undermine American prestige and position in the immediate occupation and in the longer accomplishment of our Pacific policy.

BISHOP

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740.00119 FEAC/4-1146

*Memorandum by the State Department Member of the State-War-Navy Coordinating Committee (Hilldring) to the Committee*

[WASHINGTON, April 12, 1946.]

COMMUNICATION FROM CHAIRMAN OF FAR EASTERN COMMISSION FOR  
TRANSMITTAL TO THE SUPREME COMMANDER FOR THE ALLIED POWERS

The Far Eastern Commission, acting under paragraph VI-1 of its Terms of Reference, which provides that the Commission "may make such arrangements through the chairman as may be practicable for consultation with the Supreme Commander for the Allied Powers", requested its chairman on 10 April 1946 to consult with the Supreme Commander for the Allied Powers on the matter contained in the enclosure. The chairman of the Commission has requested the Secretary of State to have the information in the attached enclosure transmitted to the Supreme Commander for the Allied Powers for his information, guidance and possible comment. It will be noted that no reference has been made in the enclosure to the chairman's request that the message be transmitted for the Supreme Commander's "guidance" as the use of this word might indicate that the message is intended as a directive rather than as a consultative message from the chairman.

It is requested that the attached enclosure be forwarded to the Joint Chiefs of Staff for transmission to the Supreme Commander for the Allied Powers.

J. H. HILLDRING

[Annex]

*Far Eastern Commission Communication for General of the Army  
Douglas MacArthur*

[WASHINGTON, April 10, 1946.]

The Far Eastern Commission has requested its chairman to consult with the Supreme Commander for the Allied Powers with a view to bringing to his attention its belief that it will be assisted in its task of formulating policy if arrangements could be made whereby at all



stages the Commission will be fully acquainted with the progress already made by the Supreme Commander for the Allied Powers in achieving the objectives of the occupation in the several fields of administration, and with the work which remains to be done and the problems to be met in each field, and if the Commission could be given timely information in general of the plans of the Supreme Commander for the Allied Powers for future action in each section of his Headquarters, with the considerations affecting the relative urgency with which the various matters should be attended to, and with the trend of events in Japan in so far as this affects policies now being formulated.

The Far Eastern Commission expressed the belief that it will also be to the mutual advantage of the Supreme Commander for the Allied Powers and the Commission if the Supreme Commander is kept informed of the progress of the work carried on by the Commission and its several Committees.

The chairman of the Commission desires that the above be transmitted to the Supreme Commander for his information and possible comment. The chairman of the Commission also desires to inform the Supreme Commander that the Secretariat of the Commission is now in consultation with the War Department with a view to making the most suitable arrangements for keeping the Supreme Commander informed of the progress of the work of the Commission and its several Committees.

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740.00119 FEAC/4-1246

*Memorandum by the State Department Member of the State-War-Navy Coordinating Committee (Hilldring) to the Committee*

[WASHINGTON, April 12, 1946.]

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TRANSMITTAL TO THE SUPREME COMMANDER FOR THE ALLIED POWERS

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J. H. HILLDRING

[Annex]

*Far Eastern Commission Communication for General of the Army  
Douglas MacArthur*

[WASHINGTON, April 10, 1946.]

The Far Eastern Commission has unanimously requested its Chairman to consult with the Supreme Commander for the Allied Powers with a view to having him send a member of his staff to Washington to confer with the Commission in connection with the Commission's current study of Japanese constitutional reform and of the basic principles which should determine its approval of any specific constitutional draft.

Any officer selected by the Supreme Commander for this purpose should not only be familiar with the subject of Japanese constitutional reform in general, but should also be prepared to discuss with the Commission the views and plans of the Supreme Commander's Headquarters in these matters and should be informed about the current developments within the Japanese Government and among the Japanese people on the subject of a new constitution.

The Commission, in its concern that any constitution adopted by the Japanese should embody the "freely expressed will of the Japanese people", is particularly interested in the procedures by which it is contemplated a new constitution will be adopted—whether, for example, by the Diet, by a constitutional convention, or by a plebiscite. The Commission is also very much interested in the extent to which the Japanese people have actually participated in discussions concerning the adoption of a new constitution—for example, to what extent they have been informed about other constitutional drafts than the one proposed by the Cabinet; what evidence they have shown of applying democratic principles in considering a new proposed constitution; and in what manner they have been encouraged to abolish the imperial institution or to reform it along democratic lines.

The Commission would, of course, profit greatly if the officer selected were also in a position to communicate the Supreme Commander's own views on these matters.

694.0031/4-546

*Statement of United States Policy*<sup>58</sup>

CONFIDENTIAL

**A PROPOSAL FOR AN INTER-ALLIED TRADE COMMITTEE FOR JAPAN**

1. The United States Government will request each of the Governments represented on the Far Eastern Commission to appoint a representative to an Inter-Allied Trade Committee for Japan.

2. The purpose of the Committee is to facilitate the conduct of relations between the U.S. Government and the other Governments concerned regarding the disposition of exports available from Japan and the furnishing of imports required for Japan which are beyond the scope of SCAP's own authority to arrange.

3. Within the framework of general policies established by the Far Eastern Commission and the policies and procedures established by directives issued to the Supreme Commander for the Allied Powers by the Joint Chiefs of Staff, the functions of the Inter-Allied Trade Committee will be to advise the United States Government on:

- a. The disposition of commodities available for export from Japan.
- b. The origin of commodities for import into Japan.
- c. The best arrangements for facilitating Japanese imports and exports generally.

4. The Committee will meet in Washington, D. C.

**EXPORTS**

5. In the case of commodities which are in short world supply and which are subject to allocation by the Combined Boards or similar committees and their successors (hereinafter referred to as the Allocating Authorities), the Committee shall, before advising the U. S. Government as to the disposition of an exportable supply of such a commodity, ascertain the views of the Allocating Authorities responsible for its allocation. The Committee shall recommend to the U.S. Government that the commodity in question shall be disposed of in accordance with the allocation recommended by the Allocating Authorities unless presented with evidence which shows that there are strong grounds for making a different allocation of the commodity in question in order to carry out the objectives of the Allied occupation of Japan. If, on such grounds, the Committee does not agree with the allocation recommended by the Allocating Authorities, it shall present its views to the Allocating Authorities and endeavor by consultation to reach an agreed allocation of the commodity in question.

<sup>58</sup> Transmitted by the Department on April 12, 1946, to the U. S. representative on the Far Eastern Commission (General McCoy), in accordance with instructions of April 5, 1946, from SWNCC, for submittal to the Commission.



Failing agreement with the Allocating Authorities the Committee shall make such recommendation as it thinks fit to the U. S. Government.

6. The Governments which agreed to set up the Inter-Allied Trade Committee and participate in its work shall also agree to recommend to the Allocating Authorities that, when the allocation of a commodity available for export from Japan is referred to the Allocating Authorities responsible for such allocation, and is under consideration by such Allocating Authorities they shall admit to their deliberations representatives of any of the States which are members of the Inter-Allied Trade Committee but are not represented on such Allocating Authorities and which may express an interest, and shall hear their views on the allocation of the commodity in question.

7. In considering the disposition of other commodities which may be made available for export from Japan, the Committee shall consider any evidence or arguments which may be presented to it by its members and shall either recommend that the commodity be disposed of at the discretion of the SCAP or his agents or shall recommend an allocation of the commodity which in its opinion, shall further the objectives of the Allied Powers with respect to Japan as stated in the Potsdam Declaration and in declarations of policy agreed to by the states represented on the Committee.

#### IMPORTS

8. It shall be the responsibility of the Committee to assist in furthering the announced objective of the occupation by advising as to sources of required imports, and as to terms of purchase which will minimize the cost of procurement. However, action of Allocating Authorities for imports subject to allocation will not be subject to review by the Committee.

9. In considering procurement of other commodities which are required by Japan, the Committee shall either (a) decide that the commodity can be acquired at the discretion of the authorities making the purchase or (b) shall recommend the source of the commodity in such manner as, in its opinion, shall further the announced objectives of the Allied Powers with respect to Japan and provide for effective utilization and equitable distribution of the world supply.

740.00119 Control (Japan)/4-1346

*Memorandum by the State-War-Navy Coordinating Committee to the  
Secretary of State*

TOP SECRET

WASHINGTON, 13 April 1946.

SWN-4149

Subject: Treatment of the Institution of the Emperor of Japan.

References: a. SWNCC 209/D

b. SWNCC 209/1<sup>59</sup>

By informal action on 11 April 1946, the State-War-Navy Coordinating Committee approved SWNCC 209/1 after amending.

A copy of the revised approved paper is forwarded herewith for information.

It is requested that the State Department forward the attached copy number 68 to the United States Representative on the Far Eastern Commission for his guidance as a statement of the United States position for appropriate use when the matter is raised in the Commission.<sup>60</sup>

In approving this paper the Committee agreed that no part of this report is to be released to the press.

Similar letters have been forwarded to the Secretaries of War and of the Navy and the Joint Chiefs of Staff.

For the State-War-Navy Coordinating Committee:

J. H. HILLDRING

*State Member, SWNCC*

## [Annex]

*Report by the State-War-Navy Coordinating Subcommittee for the  
Far East*<sup>61</sup>

TOP SECRET

SWNCC 209/1

## TREATMENT OF THE INSTITUTION OF THE EMPEROR OF JAPAN

## THE PROBLEM

1. To determine the United States position with regard to the treatment of the imperial institution in Japan.

## FACTS BEARING ON THE PROBLEM

2. See Appendix "A".<sup>62</sup>

<sup>59</sup> March 7; for revision of April 11, see Annex.

<sup>60</sup> SWNCC 209/1 was transmitted to General McCoy on April 19.

<sup>61</sup> As revised April 11, 1946.

<sup>62</sup> Not printed.

## DISCUSSION

3. See Appendix "B".<sup>62a</sup>

## CONCLUSIONS

4. It is concluded that:

*a.* The United States, as a republic, would favor the creation of a republican form of government in Japan, if that were the wish of the Japanese people. However, although the Japanese are showing a willingness to eliminate the most objectionable aspects of the imperial institution, it seems evident that the great majority will be unwilling to eliminate the institution entirely. The Supreme Commander, therefore, should not take the initiative in advocating its complete elimination.

*b.* A monarchical form of government in Japan, if so modified as to be a peaceful and responsible constitutional monarchy, would be consistent with American objectives in Japan. Since the creation of such a constitutional monarchy appears to have the support of the vast majority of Japanese, the Supreme Commander should give aid to Japanese efforts to transform the imperial institution in Japan into a constitutional monarchy.

*c.* The Supreme Commander should not force the Japanese people into an immediate decision regarding the ultimate role of the imperial institution in Japan, since more time for consideration of the problem should permit the development in Japan of a more liberal and enlightened attitude regarding the imperial institution.

*d.* The following are certain specific reforms connected with the imperial institution which, in addition to the purely political reforms treated in SWNCC 228,<sup>63</sup> are considered desirable. Many of these reforms have already been accomplished in whole or in part by the Supreme Commander for the Allied Powers, but in so far as they have not been made, he should call them to the attention of the Japanese Government. He should not order the Japanese Government to effect any of these reforms, unless the Japanese Government has clearly **shown** its unwillingness to act in these matters.

(1) Article I, III and IV of the Constitution should be changed in wording and in spirit so as to eliminate the implications that the imperial line is divine and so as to have it made clear that the Emperor is under the Constitution.

(2) The use of public schools for teaching the divinity of the imperial line and for inculcating a sense of blind devotion to the Emperor should not be permitted, statements or implications of the divine origin of the imperial line or the divinity of the Emperor should be eliminated from textbooks, Shinto Shrines housing portraits of the Emperor should be banned from public school property, enforced obeisance to the Emperor or to his picture should not be permitted,

<sup>62a</sup> Not printed.

<sup>63</sup> November 27, 1945, as revised January 7, 1946, Annex 1, p. 99.



and there should be no special ceremonial connected with the handling of the imperial rescript on education, if it is still read in schools.

(3) Extreme measures to keep the person of the Emperor mysteriously distant from the public and veiled in awesome secrecy should be abandoned.

*e.* It is considered desirable for the Emperor to demonstrate to his people that he is a human being not different from other Japanese, that he himself, as he stated in the imperial rescript of 1 January 1946, does not believe in the divine origin of the imperial line or the mystical superiority of Japan over other lands, and that there is no such thing as the "imperial will" as distinct from government policy. In so far as these objectives have not been completely realized, the Supreme Commander should influence the Emperor to continue voluntarily to demonstrate these points to his people. Specific measures the Emperor could take would be to mix more freely and on terms of greater equality with foreigners and Japanese and to make whatever further pronouncements regarding the origin of the imperial line, the equality of all races and the true nature of the "imperial will" that he is willing to make. . . .

#### RECOMMENDATIONS

5. It is recommended that:

*a.* This report be forwarded to the Joint Chiefs of Staff by the State-War-Navy Coordinating Committee for comment from a military point of view.

*b.* After approval of the conclusions in paragraph 4 above by the State-War-Navy Coordinating Committee

(1) The report be forwarded to the State, War and Navy Departments and the Joint Chiefs of Staff for information.

(2) The report be forwarded to the United States Representative on the Far Eastern Commission for his guidance as a statement of the United States position for appropriate use when the matter is raised in the Commission.

*c.* No part of this report be released to the press.

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740.00119 Control (Japan)/4-1546: Telegram

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

CONFIDENTIAL

Tokyo, April 15, 1946.

URGENT

[Received April 16—1:05 p. m.]

179. For the Secretary. I have just read the following message from General MacArthur to General McCoy.<sup>64</sup> I feel strongly that

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<sup>64</sup> For the Far Eastern Commission's statement of policy on March 20, sent as its first directive to General MacArthur, see annex to Mr. H. Freeman Matthews' memorandum of March 25, p. 182.

this matter is of the utmost importance and merits your personal attention. General MacArthur's vigorous and cogent defense of United States policy and of the procedure developed by the Secretary at Moscow should, I believe, be given every possible support.

*Begin Message from General MacArthur to General McCoy:* Reurad W 83719 confirm your second paragraph. Revision of the Jap constitution, pursuant to existing American policy (SWNCC 228 and radio W 80789 March 16) giving effect to the purpose of the Potsdam Declaration that there shall be "established in accordance with the freely expressed will of the Jap people a peacefully inclined and responsible Govt", is being evolved on an entirely voluntary basis by the Jap Govt and people. It is being freely discussed in all circles and through all media, and its final form is entirely problematical. The govt draft, and perhaps other drafts, unquestionably will be submitted to the Diet, but it is impossible to predict either the course of time or legislative action. It had been my purpose, in conformity with the aforestated American policy, to take no formal action on any constitutional reform finally adopted by the Jap people if it conformed to existing Allied policy, in order to avoid any implication which might arise, even from the formality of approval by the Allied Powers, that such reform resulted from Allied pressure. Such policy and its purpose was clearly stated in SWNCC 228, reading in part as follows:

Paragraph 5. "Only as a last resort should the Supreme Commander order the Jap Government to effect the above listed reforms, as the knowledge that they had been imposed by the Allies would materially reduce the possibility of their acceptance and support by the Jap people for the future;" conclusions, paragraph 4 *a* (7): "The drafting and adoption of constitutional amendments or of a constitution in a manner which will express the free will of the Jap people," and appendix B paragraph 7: "Only as a last resort should a formal instruction be issued to the Jap Government specifying in detail the reforms to be effected." The Far Eastern Commission is reversing American policy in this respect by insisting that the formality of its approval be a prerequisite to final adoption of any such reform by the Jap people. The purpose underlying such requirement is not clear, but its effect is capable of doing immeasurable harm to the occupation as it will undoubtedly prejudice many Jap people against the instrument itself who will therefore look upon it as a thing forced upon Japan at the point of Allied bayonets, however admirable its purposes and noble its aims. It will completely negative the expressed purpose underlying American policy that the drafting and adoption of a constitution be done "in a manner which will express the free will of the Jap people." There can be no free will when the threat of disapproval by the Allied powers overhangs all deliberation, discussion and debate of the constitutional issue. My own personal approval of the Government draft, evolved from joint studies between the Jap Government and SCAP Headquarters, was designed to give moral support and encouragement to the liberal forces struggling for reform against tradition, prejudice and reaction. It was given by me in direct compliance with my American policy directive to encourage the establishment of democratic processes in Japan in implementa-



tion of the requirement of the Potsdam Declaration that "The Jap Government shall remove all obstacles to the revival and strengthening of democratic tendencies among the Jap people," and because the suggested draft embodied all the principles prescribed in the United States policy governing constitutional reform. It did not commit the Allied Powers in any way or even the Supreme Commander himself except on general principles nor did it restrict in any way or degree the freedom of discussion and action by the Jap Government and people upon the issues involved. This was fully understood by both Jap Government and people as eloquently demonstrated by the subsequent public discussion still in progress which occupies large sections of the Jap daily press.

The Far Eastern Commission by its terms of reference is a policy making body with no executive powers, functions or responsibilities in the administration of Japan, which are reserved exclusively to the Supreme Commander. While it has the right of review of any action taken by the Supreme Commander which involves its own "policy decisions within its jurisdiction," it is not empowered, in my belief, to require prior approval of any action taken either by the Supreme Commander or the Jap Government to implement, fulfill or enforce the terms of surrender. It thus far has formulated no action setting up "policies, principles and standards" to govern in the revision of the Jap constitution, nor given the slightest indication of whether it concurs or non-concurs with the stated American policy, other than that contained in its apparent reversal of American policy based upon the Potsdam Declaration, designed to maintain the voluntary character of Jap action on constitutional reform. Approval or disapproval of acts of the Jap Government as a prerequisite to their validity is a function wholly executive in character. For the Far Eastern Commission to assert such power seems a clear violation of the terms of the Moscow Agreement and the interpretation of the American Government thereof, as publicly stated by the Secretary of State (WCL 33525, January 3 reading partially): "This Far Eastern Commission will have the authority to formulate principles to govern the control of Japan"; and "These are questions which by their nature require agreement among the principal Allies if there is to be a common Allied policy. To reserve them for decision by the Commission does not affect the administration of Allied control by the Supreme Commander"; and "the proposals we offered regarding Japan make it clear that we intend to cooperate with our Allies and we expect them to cooperate with us. But at the same time, our agreement safeguards the efficient administration which has been set up in Japan under the Supreme Allied Commander. It assures that the authority of General MacArthur will not be obstructed by the inability of the Far Eastern Commission to agree on policies or by the inability of the Allied Council to agree upon the methods of carrying them out. We were determined to assure that the outstanding and efficient administration set up and executed by General MacArthur should not be obstructed"; and "I really believe as to that it leaves two questions as to which you cannot issue interim directives but must await policy decisions of the Far Eastern Commission"; and "if there was a proposal of a policy that we did not like and we did not concur, then no matter what the other eleven did, the policy would not become



effective. As it now stands, it does require unanimity which gives to the United States the power, if it does not like any policy that is proposed, to veto it. That is one place where we are in control in Japan." Throughout his interpretation the Secretary of State made it patently clear that the Far Eastern Commission's powers were limited to policy making and are specifically so designed as to preserve inviolate the power of the Supreme Commander as the "sole executive authority for the Allied Powers in Japan."

As W 82394 is in due form as a directive, I have complied fully therewith, but have done so most reluctantly in view of the invalid premise upon which, in my view, it is based, the failure of the United States Government to exercise its right of veto at the appropriate time, and its potentially adverse consequences. This encroachment upon the authority of the Supreme Commander follows closely upon the effort of the Far Eastern Commission to interfere with the elections just concluded. You yourself recognized the invalidity of its attempted action (NRW 98139). It matters not that the ultimate votes of the Commission supported the election plan of the Jap Government; the effect of its formal action on the question at all, with the attending publicity given it, can only have an adverse effect upon the local situation, tend to undermine the authority of the Supreme Commander in the execution of Allied policy in the administration of Japan, and confuse the Jap Government and people. Throughout, the Far Eastern Commission has totally ignored the Allied Council for Japan which plans to study, on the ground, the identical questions with a view to advising and assisting the Supreme Commander, or suspending any action proposed by the Supreme Commander on the Constitution which any member may feel is inappropriate and should await a policy decision by the Far Eastern Commission. The Commission thereby has rendered the Allied Council practically powerless in so far as the issue of constitutional reform is concerned, one of the only 3 issues on which, by its terms of reference, has the right of interference in the executive functions of the Supreme Commander. It has apparently overlooked that limitation in its terms of reference reading: "The Commission in its activities will proceed from the fact that there has been formed an Allied Council for Japan, and will respect existing control machinery in Japan". What is at stake in this matter? It is not merely the unimportant question of a division of authority between various agencies but is the retention of American influence and American control which has been established in Japan by the American Government in a skillful combination of checks and balances designed to preserve American interests here. There is a planned and concerted attack to break this down. It exists in the Far Eastern Commission in a most definite and decisive form under the veneer of diplomacy and comradeship therein. There is an implacable determination to break down the control of the United States which that country exercises so comprehensively through SCAP. I beg of you to protect in every possible way, including the veto power, the position and policy of the United States Government. Appeasements, small as they may seem, rapidly

become accumulative to the point of danger. If we lose control of this sphere of influence under this policy of aggressive action, we will not only jeopardize the occupation but hazard the future safety of the United States. (Signed) MacArthur.

BISHOP

740.00119 Control (Japan)/4-1546

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

SECRET

FOR DEPARTMENTAL USE ONLY  
No. 371

Tokyo, April 15, 1946.

[Received April 24.]

SIR: I have the honor to report that at General MacArthur's direction, I attended the inaugural meeting of the Allied Council for Japan which was held on the morning of April 5 at 10:00 o'clock. This meeting has, of course, been fully reported in the press. Parenthetically, it may be noted that this Office had only two days' notice of the meeting and of General MacArthur's desire that I attend.

General Chu Shih-ming, the Member from China, and Mr. W. Macmahon Ball, the Member representing jointly the United Kingdom, Australia, New Zealand and India, had only recently arrived and did not raise important or controversial issues. Lieutenant General Kuzma Nikolaevich Derevyanko, the Member from the Union of Socialist Soviet Republics, however, did make several important suggestions.

As is now well-known, General MacArthur urged strongly in his opening remarks that the meetings of the Council be opened to the public and to the press in such numbers as available facilities would permit. In discussing procedural matters General Derevyanko proposed that meetings of the Council should not be open to the press or to the public and that communiqués might be issued to the press after such communiqués had been agreed to by all Members. Mr. Ball, while supporting General MacArthur's suggestion that all important deliberations of the Council should be available to the public, suggested that certain meetings dealing with detail and with certain aspects of the occupation would be uninteresting to the press; that it might not be desirable to have the press sit in on meetings at which preliminary opinions and differences were aired; and that the Members of the Council might feel more comfortable and have a greater sense of freedom and informality if such meetings were held privately. General Chu remarked that he felt the principle of open meetings was to be supported but that he agreed in part with Mr. Ball and



hoped that all of the meetings would not be held under the same glare of lights as those at the first meeting.

In rebutting these arguments, Major General W. F. Marquat, who had been named by General MacArthur as his Deputy immediately after General MacArthur finished his opening address, pointed out that basic United States policy for post-surrender in Japan had been made public by the White House; that paragraph 3, Part 2, of the statement issued by the White House on September 22, 1945,<sup>65</sup> read as follows:

"3. . . . The Japanese people, and the world at large, shall be kept fully informed of the objectives and policies of the occupation, and of the progress made in their fulfillment."

General Marquat also went on to point out that since that time full publicity has been given to all occupation activities, developments and accomplishments; that the Supreme Commander has from time to time made clear to the Japanese people and to the world at large the policies and progress of the occupation; and that there has never been any withholding of such information from the public. General Marquat also pointed out that there was no restriction on meetings between two or more members of the Council at any time for informal exchanges of information and views and that at such informal meetings or exchanges of ideas the press need not be present. With regard to formal meetings of the Council, however, he urged strongly that the principle of open meetings be upheld. (It was anticipated that there would be objection to open meetings and the foregoing arguments were suggested by this Office informally to General Marquat prior to the meeting.)

It was felt that arrangements for informal meetings satisfactorily met the suggestion made by Mr. Ball, and General Derevyanko withdrew the Soviet suggestion.

General Derevyanko asked permission to make a statement which, although not germane to questions of procedure and the working principles of the Council, was of such urgency that it could not be postponed. He then read a statement castigating "reactionary" elements in Japan and recommending that SCAP should publicly warn the Japanese Government and people that if it should be found, following the election, that a majority of the new members were reactionary, the Diet would be dissolved by SCAP and a new election called. The Soviet suggestion was read into the minutes for forwarding to General MacArthur.

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<sup>65</sup> Department of State *Bulletin*, September 23, 1945, p. 423.



General Derevyanko asked that members of the Council be furnished copies of all documents of every sort exchanged between SCAP and the Japanese Government. He also asked that "projects" of SCAP and of the Japanese Government be notified to the members of the Council and that prospective orders or directives to the Japanese Government be furnished to members of the Council at least seven days in advance of their date of applicability. It was pointed out by the American member that General MacArthur had already stated that instructions had been given to furnish the Council with copies of all directives issued to the Japanese Government, together with such background information as may be appropriate; that undoubtedly it was General MacArthur's intention to furnish the Council with copies of documents pertaining to matters of substance as early as possible and that it would be undesirable or unnecessary to implement any such procedure as had been suggested. The Soviet Member was satisfied with the explanation offered after the pertinent paragraph from the "Moscow Communiqué" had been read to the Council.

The suggestion put forward by the Soviet Member to appoint three Deputy Secretaries General (one each for the non-United States members) was tabled for consideration at the next meeting scheduled for Wednesday, April 17. Regular meetings will be held every second Wednesday thereafter.

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

S94.00/4-1846

*Memorandum by Mr. William J. Sebald, of the Office of the Political Adviser in Japan*<sup>66</sup>

[Extract]

CONFIDENTIAL

TOKYO, April 17, 1946.

POLITICAL PARTIES IN JAPAN: DEVELOPMENTS DURING THE WEEK  
ENDING APRIL 13, 1946

*Summary.* The press devoted considerable space to the election campaign immediately prior to election day on April 10, emphasizing the necessity of keeping abstentions to a minimum, the desirability of voting party tickets, and urging voters to avoid independents. Prime Minister Shidehara also published a statement which included a direct quotation of the Emperor's expressed desire that "all people . . .<sup>67</sup> vote according to their free will." It is estimated that

<sup>66</sup> Copy of memorandum transmitted to the Department by the Political Adviser in Japan (Atcheson) in his despatch 379, April 18, 1946; received April 26.

<sup>67</sup> Omission indicated in the original memorandum.

some 72% of all eligible voters went to the polls. Particularly noteworthy were the large number of women who voted throughout Japan and the election of 38 women, indications that women voters were largely independent in their selections of candidates. As of the time of writing, the Liberal Party has elected 141 Diet members, the Progressive and Social Democratic Parties 94 each, the Cooperatives 14, and the Communist Party 5.<sup>68</sup> Some criticism arose regarding incomplete registration lists in many places throughout Japan, but there is good reason to believe that only a small percentage of incomplete registrations is attributable to negligence on the part of election officials. The election has demonstrated that a majority of the Japanese people are inherently conservative, but a number of intangibles undoubtedly affected the trend of voting throughout the country. The huge vote polled by the Social Democrats, however, demonstrates an under-current of desire for change on the part of many people, despite the somewhat radical economic proposals espoused by this party. The problem of whether to resign *en bloc* or to continue in power has somewhat divided the Shidehara cabinet. Japanese political observers envisage three possible courses of action: (a) the formation of a coalition cabinet, with either Mr. Hatoyama Ichiro, President of the Liberal Party, or Baron Shidehara as Prime Minister; (b) the formation of a new "Government" Party comprising the Progressive Party, elements of the Liberal and Social Democratic Parties, independents, and minor party members, the new party to support Baron Shidehara as Prime Minister; and (c) the establishment of an opposition centering about the Social Democratic Party, a course advocated by left-wing Social Democrats who contend that only in this manner can the Party continue in existence. The efforts to form a new party by Ministers Narahashi, Ishiguro, and Mitsuchi is severely criticized by many on the ground that it represents a continuation of pre-war "wire-pulling" tactics. The political situation should be greatly clarified after the general meetings to be held by the three major parties during the next ten days. *End of Summary*

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<sup>68</sup> In a circular telegram of May 2, 1946, 9 a. m., the Department reported: "Campaign expenses three Jap parties and seats won: Liberal 741724 yen 141 seats, Communist 665114 yen 5 seats, Social Democrats 65209 yen 93 seats." (740.00119 Control (Japan)/5-246)

740.00119 Control (Japan)/4-2346

*Memorandum by Mr. Robert A. Fearey, of the Office of the Political Adviser in Japan*<sup>69</sup>

[Extract]

[Tokyo,] April 17, 1946.

REAPPRAISAL OF UNITED STATES SECURITY INTERESTS AND POLICIES IN  
REGARD TO JAPAN*Summary . . .*

Present indications, in short, all point to the maintenance of a friendlier attitude within Japan in future toward the United States than toward any other power. It must be recognized, however, that in changing circumstances offering sufficient provocation current pro-American, pro-democratic and anti-Soviet, anti-communist tendencies could be completely reversed. Persistently adverse economic conditions, particularly if it were felt that the United States through its demilitarization or commercial policies was largely responsible for those conditions, or the withdrawal of American forces from the western Pacific, would be the likeliest causes of such a change. Current resistance to communism is strong, but many of the factors responsible for this resistance are in process of dissolution, and balanced against them are a number of inherent characteristics of the Japanese, their amenability to discipline and centralized authority and the elements of communalism in their present mode of life, which render the adoption of the current Soviet version, a native Japanese version, or some other form of communism entirely possible at some future time in favorable circumstances. But irrespective of whether the Japanese succumb to communism or not, even a confirmedly democratic-capitalistic Japan if impelled by acute economic distress or national insecurity, possibly combined with Soviet pressure, would be likely to forego the friendship of the United States to align itself with a potential enemy of the United States if it believed it might thereby overcome the difficulties facing it.

A number of steps, the greater part for long-range rather than immediate implementation, may be proposed to prevent such an eventuality: (1) a concerted effort to improve the conduct of the misbehaving minority among the occupation forces; (2) readmission at a later stage of the occupation of a significant number of persons scarcely meriting the title "active exponents of militant nationalism",

<sup>69</sup> Copy of memorandum transmitted to the Department by the Political Adviser in Japan (Atcheson) in despatch 384, April 23, 1946; received April 30.



in a large proportion of cases men of outstanding ability and of pro-American viewpoint, excluded by the January 4 purge directive; (3) development of closer cultural, educational and tourist relationships and exchanges between the United States and Japan; (4) minimum necessary restriction of Japanese peacetime industry; (5) reduction of American-Japanese trade barriers; and (6) the maintenance of American armed forces in the western Pacific and elsewhere of adequate strength, and, necessarily, backed by an adequate popular determination, to prevent the domination of Japan by another power.

American foreign policy today wisely and fortunately is based upon the principles of continuing friendship among the Great Powers and the development of a system of collective security under the UNO. In no circumstances should our Japan policies be of a type to impair the success of these larger aims. The proposed measures if properly implemented, however, would not have that effect, and, pending the establishment of effective security arrangements capable of controlling the great as well as the small powers, would seem a logical and an important element of the United States security planning. *End Summary*

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701.0094/4-1846 : Telegram

*The Secretary of State to the Political Adviser in Japan (Atcheson)*

RESTRICTED

WASHINGTON, April 18, 1946—7 p. m.

258. Department has received communication from Czechoslovak Embassy inquiring necessary procedure for sending to Japan an official Czechoslovak representative to undertake consular and eventually diplomatic duties in connection with Czechoslovak nationals in Japan.

This request raises question of representation in Japan of non-enemy countries neither neutrals nor participants in the occupation. It would seem that such countries should be given treatment comparable at least to that accorded neutrals and consequently should be permitted to maintain "Diplomatic Representatives" functioning on a governmental level. It would of course be understood that such representatives would carry on relations with the Japanese Government only through SCAP and that their status would be identical to that already prescribed for neutrals by SCAP.

It would furthermore appear desirable for such countries which already have military liaison officers attached to SCAP to maintain unified establishments if "Diplomatic Representatives" are appointed, combining their military and civilian personnel.

You are requested to discuss this matter with SCAP and to notify Dept so that appropriate reply may be made to Czechoslovak Embassy and to subsequent inquiries of similar nature.<sup>70</sup>

BYRNES

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740.00119 Control (Japan)/4-1546

*Memorandum by the Director of the Office of Far Eastern Affairs  
(Vincent) to the Secretary of State*

[WASHINGTON,] April 19, 1946.

MR. SECRETARY: There are three main points in General MacArthur's telegram of April 15<sup>71</sup> in regard to his relationship to the Far Eastern Commission:

(1) General MacArthur defends his action in approving a draft Japanese constitution, stating that the approval was "personal". At the same time he contends that he was acting in accordance with a directive implementing the requirement of the Potsdam Declaration that "the Japanese Government remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people". There is general agreement among concerned American officials (a) that General MacArthur should not have approved the draft constitution; (b) that his defense is not to the point; (c) that in his address to the Allied Council in Tokyo on April 5,<sup>72</sup> however, he carried out in a limited but sufficient measure the policy decision of the Far Eastern Commission of March 20<sup>73</sup> by indicating that changes in form and detail might result from examination of the draft constitution; and (d) that, therefore, no useful purpose would be served by any further discussion of this matter.

(2) General MacArthur points out that the Far Eastern Commission is a policy making body with no executive powers; that it is not empowered to require prior approval of any action either by the Supreme Commander or by the Japanese Government; and that approval or disapproval of acts of the Japanese Government as a prerequisite of their validity is a function wholly executive in character. General MacArthur makes these points in argument against the Far Eastern Commission's March 20 policy decision requiring that the Commission "must be given an opportunity to pass upon the final

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<sup>70</sup> SCAP's concurrence in principle with the Department's suggestion was reported in telegram 203, May 6, 1946, from Tokyo, but the critical situation in Tokyo due to inadequate facilities was pointed out, to discourage representatives of non-enemy countries from going to Japan before late 1946 (701.0094/5-646).

<sup>71</sup> See telegram 179, April 15, from Tokyo, p. 201.

<sup>72</sup> See despatch 371, April 15, from Tokyo, p. 205.

<sup>73</sup> See Policy Statement of March 20, p. 182.

draft of the constitution". Quite apart from any hairsplitting over a definition between policy making and policy execution, it is believed to have been the clear intent of the Terms of Reference approved at Moscow to give the Far Eastern Commission the prerogative it has asserted to approve or disapprove a new Japanese constitution before final adoption. Otherwise the reservation with regard to changes in the Japanese constitutional structure seems to me to have no meaning. You stated at a press conference on March 12 that "before the Constitution becomes constitutionally effective, it will in some way or other come before the Far Eastern Commission."

General MacArthur has, "reluctantly" he states, complied with the Far Eastern Commission directive by indicating in his April 5 address that the final draft constitution would receive "ultimate consideration" by the Allied Powers (Far Eastern Commission), and it is therefore felt that no useful purpose would be served by debating the pros and cons of this situation further. Inevitably questions will rise with regard to the division between policy making and policy executing functions. It seems to me impossible to lay down in advance any broad rule covering cases that will come up and which will have to be decided on their merits. But it will be our intention in examining these cases to give the fullest protection to General MacArthur's position as the executing authority.

(3) In concluding his telegram General MacArthur argues for "the retention of American influence and American control which has been established in Japan". General McCoy, I am sure, is as fully aware of his responsibilities in this connection as is General MacArthur. So am I. But we must at the same time bear in mind that the control of Japan is, by agreement, an Allied responsibility.

General MacArthur's telegram is a personal message to General McCoy. General McCoy plans to reply with a personal message which will be submitted to us before it is dispatched. In this message there will be no disposition to go into detail as to the merits or demerits of past action. General MacArthur should be assured that we are fully aware here of the need for protecting his position as executive authority and that we are also conscious of the importance of preserving American influence in the control of Japan. In short, concurrence should be expressed with General MacArthur's general approach to the problem while indicating simply, without legalistic argument, that the Far Eastern Commission's policy decision of March 20 is in accordance with the Terms of Reference adopted at Moscow and with the policy and position of the Government in the control of Japan.

J[OHN] C[ARTER] V[INCENT]



740.00119 Control (Japan)/4-1546

*Memorandum by the Director of the Office of Far Eastern Affairs  
(Vincent) to the Secretary of State*

[WASHINGTON,] April 20, 1946.

Attached is a draft of General McCoy's proposed reply to General MacArthur which I received this afternoon. The pencil changes are mine.<sup>74</sup> I think the draft is all right, with or without the changes, except for those I have made in the first paragraph which I believe should stand, particularly my substitution of "position" for "interests" and my elimination of the word "control".

If you approve <sup>75</sup> the message will be sent out Monday.<sup>76</sup>

J[OHN] C[ARTER] V[INCENT]

[Annex]

*Draft Telegram From General McCoy to General of the Army  
MacArthur*

Message to SCAP from U.S. Representative F.E.C. (Personal for MacArthur from McCoy)

Reurad C59896 I appreciate greatly your full and frank reply to my queries. I realize, as do the State and War Departments, the problems which face you and the difficulties under which you are laboring. I can assure you that all of us here concur in the *general* principles you have set forth, are fully alive to the necessity of ~~protecting~~ *safeguarding your interests position* and share your ~~concern~~ *with the protection of desire to protect* United States vital interests ~~and control~~ in the Far East.

The action of the Far Eastern Commission in formulating a policy decision on the Japanese constitution was in accord with the Terms of Reference of the Commission ~~and as contained in~~ the Moscow Communiqué and *with* a statement made by the Secretary of State to the Press that before the constitution became constitutionally effective it would in some way come before the Far Eastern Commission. The Commission shares your views that the Constitution must be "established in accordance with the freely expressed will of the Japanese people". Any ~~differences~~ *variation of opinion* which may exist in this matter relates to the methods ~~most~~ *best* adapted to achieving the objectives which we all have in common. ~~The United States~~ *Our view*

<sup>74</sup> Mr. Vincent's penciled changes are indicated as follows: Italics for his revised wording and canceled type for General McCoy's words to be omitted.

<sup>75</sup> The Secretary replied in a handwritten notation on the original: "OK as changed. J F B".

<sup>76</sup> April 22.

is in ~~full~~ accord with yours that the Commission should take no formal action on a new Constitution unless ~~such~~ the constitution fails to fulfill the policy provisions of the Potsdam Declaration and the Instrument of Surrender. We also feel that such restrictions should apply equally in Japan. However, in order to enable the Commission to give due consideration to the provisions of the Constitution it is important that we not be confronted suddenly with a constitution passed by the Diet and ready for the Emperor's approval. The Commission is most anxious to consider the new constitution, other drafts and amendments ~~while they are being debated~~ *prior to conclusion of debate thereon* by the Diet and the Japanese people.

The functions of the Far Eastern Commission and the Allied Council are distinct in principle but somewhat difficult to differentiate when it comes to specific problems. I have arranged to furnish you with all F.E.C. papers and minutes and think it would be helpful if we could furnish the Commission with the minutes of the Council and other pertinent data. I believe that the Commission would leave many questions to the Council if it knew that the Council was gathering data on such subjects.

Again let me assure you that I have constantly in mind the interests of the United States and that I will always protect your flank and rear.

Since your message to me was referred to the ~~Department~~ *Secretary* of State by urad <sup>77</sup> I have shown this message to the Secretary ~~of State~~ at his request.

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740.00119 Control (Japan)/4-2346: Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

SECRET

Tokyo, April 23, 1946.

[Received April 27—6:33 p. m.]

185. 1. In addition to duties in connection with Allied Council, functions of new diplomatic section (reDeptel unnumbered, March 162142 Z <sup>78</sup> and our 182, April 19 <sup>79</sup>) are as follows:

“(a) To make recommendations on policies concerning foreign relations of Japan and Korea.

(b) To make recommendations concerning establishment of foreign diplomatic missions and consular offices in Japan and Korea and maintain contact with such foreign diplomatic missions and consular offices as are established in Japan. (Relationships of foreign diplomatic

<sup>77</sup> Blank space in the original.

<sup>78</sup> Telegram 142, March 18, 1946, not printed, but see memorandum of April 4, p. 188.

<sup>79</sup> See footnote 55, p. 190.

and consular officials with Jap Govt are conducted through SCAP and the diplomatic section is to be the SCAP section charged with conduct of SCAP's relations with such foreign officials).

(c) To collect, correlate and maintain in useable form information on international affairs relating to Japan and Korea, and from time to time inform and advise SCAP on such of the aforementioned information as may be pertinent to conduct of his duties.

(d) To maintain a branch of section in Yokohama for purpose of performing consular functions, and supervise such other agencies of United States Dept of State as may be established in Japan.

(e) To maintain contact with United States Dept of State as follows:

(1) Submit opinions and recommendations to Dept of State through SCAP and War Dept on special subjects when such opinions and recommendations are requested by Dept of State through War Dept.

(2) Send such reports and information as may be appropriate to Dept of State through SCAP and War Dept.

(3) Communicate directly with Dept of State on routine matters of interest to that Dept, such as personnel, accounts, consular matters, transmittal of publications, press analyses, copies of directives et cetera and receipt of informational material."

2. It appears at present that there will be no substantial change in our method of communications to or receiving communications from Dept either by telegraph or mail except in connection with policy matters covered by *e* (1) above. General MacArthur states that he is entirely agreeable to suggestions in Dept's unnumbered telegram of March 162142 Z and both SCAP and this office are in full concurrence as regards Dept keeping procedures as simple as possible in order to avoid burdening General Headquarters, War or State with unnecessary complexities and to expediting of business. It is General MacArthur's concept that, in addition to duties in connection with Allied Council and such advisory duties as he assigns to Political Adviser, section should handle in usual way, subject to emergencies of local conditions, all State Dept and Foreign Service matters such as would normally fall upon an office or mission which eventually will develop into an Embassy. While cognizant of eventual desirability of reestablishment of consular and foreign offices in Japan, it is felt that Yokohama branch should for time being continue without any formal change in status, and under our general supervision continue to perform routine American consular duties as a branch of diplomatic section, its communications with Dept to be through 8th Army as heretofore.

3. We are to be given access by SCAP to any information which Dept may desire and may forward to Dept by such desired publications, press analyses, staff sections reports and reviews et cetera.



The weekly report on political party developments properly lies within functions of government section and will be discontinued so far as this section is concerned. In the light of voluminous press analyses and other data prepared by SCAP in mimeographed form and forwarded to Dept. there would seem to be no need for weekly press telegram which we previously submitted. It is understood that SCAP furnishes War Dept daily telegraphic report of activities and also a comprehensive monthly review. Assembly arrangements can be made for Dept to receive copies of these reports from War Dept and there accordingly may be no need for our continuing weekly political and economic telegraphic review which we previously submitted. This review, however, can be continued if Dept desires and our staff personnel problems are solved. Our suggestion would be that after consultation with War Dept in regard to receipt of SCAP reports, Dept may wish to review its information requirements and inform us what specifically is desired from us within general framework of our functions.

4. Above indicates urgent need for full review of personnel needs and qualifications. Work in connection with Council will be heavy and, in addition to requiring major portion of my time, will mean almost full time for Bishop and part time for Sebald and possible on [*possibly an?*] other auxiliary officer. Service is in hospital with slight case jaundice and is expected to remain there for about six weeks. We are in urgent need of an executive officer and it would be very helpful if Johansen could be instructed to come at once without awaiting completion of arrangements for coming of his family.

ATCHESON

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[For text of memorandum by the Secretary of State, the Secretary of War, and the Secretary of the Navy, dated April 25, 1946, on "Principles and procedures regarding policy-making and administration of occupied areas" of Germany, Austria, Japan, and Korea, see volume V, page 674.]

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740.00119 Control (Japan)/4-2646 : Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

SECRET

Tokyo, April 26, 1946.

[Received April 27—6:33 p.m.]

192. 1. Associated Press reports Far Eastern Commission has laid down policy that the United States should send only enough food to Japan to safeguard Allied occupation forces. Question of food policy is on the agenda for the third meeting of the Allied Council scheduled

for April 30. In the absence of a directive and in so far as the Council is concerned, I have been prepared to meet this question in Council by presenting views as follows:

“There is strong question in my mind as to how far the Council may properly proceed in a substantive discussion of the amount of food which the United States sends to the occupation forces for Jap consumption for the purpose of safeguarding the occupation forces and the occupation in Japan. If the occupation forces were not taking steps, such as provision of necessary food supplies, to preclude in so far as possible starvation, hunger and unrest which would adversely affect the occupation from military as well as political point of view, it would be logical for members of the Council to offer advice in the matter. The reverse however is true. The United States is sending this food to the occupation forces as actually to USAFPAC rather than to SCAP—for the purposes mentioned. The food is being provided by the United States alone, not through an international organization concerned with the distribution of contributions by various countries. The burden falls upon the United States and there is no question but that it is far better for the United States to send food than to have to send large numbers of additional troops. It seems to me therefore that in the absence of governing policy directive stipulating that the Jap people are to be limited in their per capita food consumption, the question of how much food United States sends to safeguard the occupation forces and the occupation is not one which properly comes before the Council. Certainly the question whether the United States might send some of this food to other countries is entirely outside the Council’s purview.”

2. The question of food policy was placed on the agenda at the request of the British Commonwealth member (an Australian). We understand that question was raised in the Far Eastern Commission by the New Zealand representative. The wording of the item on our agenda is: “An inquiry about Allied food policy in Japan in relation to the present world shortage of food stuffs and the standards of food consumption prevailing in other defeated countries.” The purpose of the inquiry here I believe is clearly to raise the question whether food for Japan provided by the United States should not be allocated to some other country. I submit my opinion that the question of the distribution of food provided by the United States alone outside the scope of any international agreement is not subject to decision or determination by any other than United States Govt. Certainly determination of the question of how much food should be sent to Japan by the United States to safeguard the Allied occupation forces is one solely for determination by the United States. I submit further that, over and above the paramount question for preventing unrest and most serious military as well as political difficulties, we are under moral obligation to do what we can to prevent hunger and starvation in this country. I am mindful of remarks made some time ago by a SCAP

spokesman pointing out that the islands of Japan are in a sense analogous to a huge concentration camp. There is no barbed wire fence around these islands but we are in a military occupation here and, at this stage, our efforts to revive manufacture of exports to exchange for imports of food are necessarily restricted to channels which the United States has set up. Thus the Japs are not yet free to trade abroad (before the war they had to import from 15 to 20 percent of their foodstuffs) or indeed to utilize all of their own resources. While the progress and purposes of the occupation will eventually place the responsibility solely upon the Japs to provide for themselves, that time has not come and our obligation has not ended. We are indeed trying Jap war criminals for failure to provide sufficient food to American and other allied internees and prisoners of war.

3. If actions of the United States Govt pertaining to security of its forces are to be subject to review at the direction of an allied body acting on the basis of political considerations, the opportunities for embarrassment and hindrance to our executive administration of the occupation might become so increased as to endanger seriously our position here.

4. Adverse propaganda by interested foreign representatives and others may easily obscure and distort realities of the situation and adversely affect our position in the eyes of the American public. There is no question here whether we should be harsh or should be soft on the Japs. Our occupation authorities are faced with a serious and concrete military problem, not to mention important political considerations having definite bearing upon our long range objectives. As a means of clarifying position here and of offsetting propaganda adverse to our policy and position, it is suggested Dept furnish the press with pertinent facts and considerations inherent in the situation and which support our position.

Please see radios exchange between General MacArthur and War on subject of food needs in connection with occupation. References are: from War Dept to SCAP W 80091, Warx 89675, War 96126, War 98710, War 97085; from SCAP to War Dept CA 56217, CA 56674 [6 Jan 46], CA 56727 [8 Jan 46], CA 57156 [25 Jan 46], C 58100 [21 Feb 46], CA [C] 58445 [4 Mar 46], C 59377 [31 Mar 46], C 59880 [13 Apr 46].

This telegram sent with concurrence and approval of General MacArthur.

ATCHESON



730.00119 Control (Japan)/4-2946 : Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

SECRET

TOKYO, April 29, 1946.

[Received May 1—11:49 a. m.]

195. 1. SCAP has received from War Dept by telegraph text of Far Eastern policy statement on US food shipments to Japan.<sup>80</sup> We are concerned over the wording of the first paragraph of the policy statement, especially the reference to the Allied Council:

“Except to the extent that the Supreme Commander for the Allied Powers, with the advice of the Allied Council for Japan, determines.”

In context this reference to the Council would seem to imply granting of a controlling voice to the Council in this matter of food supplies and consequent limitation upon the authority of the Supreme Commander alone to determine measures necessary for the safety of the occupation forces. The wording of the statement also appears to imply a change in the terms of reference for the Council as set forth in the communiqué of the Moscow conference. Under B(96) of the communiqué, control function of the Council or its members are strictly limited and the category of matters on which members of the Council exercise some control do not include the particular question at hand.

The question whether the terms of reference for the Council can be so altered seems to me of utmost importance. I respectfully submit my opinion that change in the terms of reference for the Council can only be effected by unanimous agreement on a governmental level among the four govts whose agreement at Moscow December 27th 1945 created the Council. I may add that if this policy statement of the Far Eastern Commission is permitted to stand with the concurrence of the US, it will provide an opening wedge, inevitably to be followed by others, to divide the administrative responsibility of the Supreme Commander as the sole executive authority for the Allied powers in Japan. I believe that such division would undermine the occupation, would work great harm to American interests and American prestige, and would in the end nullify the announced objectives of all the allies in this country.

2. As regards the question of the Allied Council's relationship to the matter of food supplies for Jap consumption sent to this country to safeguard the occupation, please see my telegram No. 192, April 26.

3. It would be very helpful to me, both as chairman and US member of the Allied Council, if Dept could conveniently keep me currently and adequately informed in regard to pertinent activities of the Far Eastern Commission.

ATCHESON

<sup>80</sup> April 25, Department of State *Bulletin*, May 5, 1946, p. 756.

740.00119 Control (Japan)/5-1346 : Telegram

*General of the Army Douglas MacArthur to the Joint Chiefs  
of Staff*<sup>81</sup>

TOP SECRET

Tokyo, 4 May 1946.

C 60606. I am in full agreement with the need for a closer working arrangement and understanding between the Supreme Commander for the Allied Powers (SCAP) and the Commission<sup>82</sup> and stand ready to do everything in my power to such end. I do not believe, however, that the dispatch of an officer from my staff to confer with the Commission would provide a solution to the problem. In the first place, as Supreme Commander I have given my personal attention to the matter of constitutional reform, and there is no other officer in position to express in detail my views on that subject. In the second place, my key officer personnel situation has become so critical, due to the rapid demobilization of officer personnel, that the release of a key officer for such purpose could not be effected without impairment to the Command. Furthermore, the situation here is a fluid one, necessitating constant on-the-ground observation to permit a comprehensive understanding of it from day to day. SCAP is engaged in constant operations involving immediate rather than long range action. A more profitable relationship between SCAP and the Commission is largely dependent upon a better appreciation of the related responsibilities of each in the administration of the occupation. I believed this could be foreseen when the Commission was in Tokyo, but the great distances involved rendered it utterly impossible for the Commission effectively to achieve more than the development of broad guiding policies, leaving to the full discretion of the Supreme Commander the timing and method of their implementation. Such was the relationship envisaged at Moscow when the agreement was reached and such had been the previous relationship between the American Government in Washington and SCAP.

With respect to the matter of constitutional reform, perhaps a review of the evaluation of the Government's draft would be helpful to you in your understanding of the present situation. In compliance with my basic directive from the Joint Chiefs of Staff, as oriented from the principles stated at Potsdam and embodied in the surrender terms, I instructed the Higashi-Kuni<sup>83</sup> Cabinet last September to draft a plan for revision of the constitution of Japan with the view

<sup>81</sup> Copy of telegram transmitted to the Department by the State-War-Navy Coordinating Committee with its SWN-4284, May 13, "for information only" and not to be sent to the Far Eastern Commission. The "substance", however, was given the Commission on June 4.

<sup>82</sup> See annex, dated April 10, to General Hilldring's memorandum of April 12, p. 195.

<sup>83</sup> Prince Naruhiko Higashi-Kuni, Prime Minister, August 17-October 5, 1945.

of its democratization to permit development of the type of a government and society required by the Potsdam Declaration. When the Shidehara Cabinet assumed office, it acquired full responsibility in this matter. During that early period and subsequently until the Government's draft constitution was formulated, I held frequent personal conferences with state ministers with the view of their understanding of and acquiescence in the enlightened principles which of necessity would guide the revision to bring it within Allied general policy as interpreted in more specific form by the American Government. During that early period, the Political Adviser, upon instruction from the State Department, additionally held conferences with Japanese political leaders. On October 17th the Allied policy was further interpreted in instructions to the Political Adviser from the Secretary of State of the United States<sup>84</sup> contained in radio Svc 5477, reading in part:

"There should be assurance that the Japanese Constitution is amended to provide for government responsibility to an electorate based upon wide representative suffrage. Provision should be made that executive branch of government derive its authority from and be responsible to the electorate or to a fully representative legislative body. If Emperor institution is not retained constitutional safeguards against that institution will obviously not be required but provision should be made for

- (1) Complete control by an elected congress of financial and budget council [*budgetary matters*],
- (2) Guarantee of fundamental civil rights to all persons within Japanese jurisdiction, not to Japanese only, and
- (3) Action by Head of State only pursuant to authority expressly delegated to him.

If Emperor is retained, following safeguards in addition to those enumerated above would be necessary:

- (1) A cabinet to advise and assist the Emperor should be chosen with advice and consent of and responsible to representative legislative body,
- (2) No veto over legislative measures should be exercised by other bodies such as House of Peers or Privy Council,
- (3) Emperor should be required to initiate amendments to constitution recommended by Cabinet and approved by legislative body,
- (4) Legislative body should be permitted to meet at will, and
- (5) Any ministers for armed forces which may be permitted in future should be civilians and all special privileges of direct access to Throne by military should be eliminated.

We concur in general in the review [*views*] summarized in your CA-53137, October 11th<sup>85</sup> and desire that you continue your discussions and keep Department informed."

<sup>84</sup> See telegram 38, October 16, 1945, *Foreign Relations*, 1945, vol. VI, p. 757.

<sup>85</sup> See telegram 31, October 10, 1945, *Foreign Relations*, 1945, vol. VI, p. 739.



Again in SWNCC 228 dated 7th January 1946<sup>86</sup> the United States laid down still more detailed policy rules, concluding that:

"A. The Supreme Commander should indicate to the Japanese authorities that the Japanese governmental system should be reformed to accomplish the following general objectives: (1) A government responsible to an electorate based upon wide representative suffrage; (2) An executive branch of government deriving its authority from and responsible to the electorate or to a fully representative body; (3) A legislative body, fully representative of the electorate, with full power to reduce, increase or reject any items in the budget or to suggest new items; (4) No budget shall become effective without the express approval of the legislative body; (5) Guarantee of fundamental civil rights to Japanese subjects and to all persons within Japanese jurisdiction; (6) The popular election or local appointment of as many of the prefectural officials as practicable; (7) The drafting and adoption of constitutional amendment or of a constitution in a manner which will express the free will of the Japanese people.

"B. Though the ultimate form of government in Japan is to be established by the freely expressed will of the Japanese people, the retention of the Emperor institution in its present form is not considered consistent with the foregoing general objectives.

"C. If the Japanese people decide that the Emperor institution is not to be retained, constitutional safeguards against the institution will obviously not be required but the Supreme Commander should indicate to the Japanese that the constitution should be amended to conform to the objectives listed in A above and to include specific provision: (1) That any other bodies shall possess only a temporary veto power over legislative measures, including constitutional amendments approved by the representative legislative body, and that such body shall have sole authority over financial measures; (2) That the ministers of state or the members of a cabinet should in all cases be civilians; (3) That the legislative body may meet at will.

"D. The Japanese should be encouraged to abolish the Emperor institution or to reform it along more democratic lines. If the Japanese decide to retain the institution of the Emperor, however, the Supreme Commander should also indicate to the Japanese authorities that the following safeguards in addition to those enumerated in A and C above would be necessary: (1) That the ministers of state, chosen with the advice and consent of the representative legislative body, shall form a cabinet collectively responsible to the legislative body; (2) That when a cabinet loses the confidence of the representative legislative body, it must either resign or appeal to the electorate; (3) The Emperor shall act in all important matters only on the advice of the Cabinet; (4) The Emperor shall be deprived of all military authority such as that provided in articles 11, 12, 13, and 14 of chapter 1 of the Constitution; (5) The Cabinet shall advise and assist the Emperor; (6) The entire income of the Imperial household shall be turned into the public treasury and the expenses of the Imperial household shall be appropriated by the legislature in the annual budget."

<sup>86</sup> Annex 1, p. 99.

Finally at culmination, about the middle of February, when a number of drafts had been discussed at length and the question had reached a state of intense universal consideration,<sup>87</sup> the Cabinet at the Government's request joined in almost constant conference with SCAP's Government Section from which discussions finally emerged the Government draft.<sup>88</sup> It thus will be seen that I have acted meticulously in accord with the instructions received from the United States Government, and been guided throughout by its policies in assisting the Japanese Government and people in the development of constitutional reforms.

It has been my purpose, in conformity with the principles laid down at Potsdam as developed in aforesaid American policy, to take no formal action on any constitutional reform finally adopted by the Japanese people if it reasonably conforms to existing Allied policy, in order to avoid any implication which might arise, even from the formality of approval by the Allied powers, that such reform resulted from Allied pressure. Such policy and its purpose was clearly stated in SWNCC 228, reading in part as follows: Paragraph 5 "Only as a last resort should the Supreme Commander order the Japanese Government to effect the above listed reforms, as the knowledge that they had been imposed by the Allies would materially reduce the possibility of their acceptance and support by the Japanese people for the future"; conclusions, paragraph 4 A (7): "The drafting and adoption of constitutional amendments or of a constitution in a manner which will express the free will of the Japanese people;" and Appendix "B", paragraph (7): "Only as a last resort should a formal instruction be issued to the Japanese Government specifying in detail the reforms to be effected". The only policy decision thus far handed down by the Far Eastern Commission in the matter of constitutional reform<sup>89</sup> had the effect of reversing this all-important policy provision by its requirement of the formality of its approval as a prerequisite to the final adoption of any constitutional reform by the Japanese people. The purpose underlying such requirement is not clear, but its effect is capable of doing immeasurable harm to the occupation as it will undoubtedly prejudice many Japanese people against the instrument itself, who will look upon it as a thing forced upon Japan at the point of Allied bayonets, however admirable its purposes and noble its aims. It will completely negate the expressed purpose underlying aforesaid policy that the drafting and adoption of a constitution be done "in a manner which will express the free will of the Japanese people." There can be no free will when the

<sup>87</sup> For documents, see *Political Reorientation of Japan*, pp. 605 ff.

<sup>88</sup> For first Government draft, see *ibid.*, p. 625.

<sup>89</sup> Dated March 20; see annex to memorandum of March 25 by Mr. Matthews, p. 181.



threat of disapproval by the Allied powers overhangs all deliberation, discussion and debate on the constitutional issue. My own personal approval of the Government draft, evolved from joint studies between the Japanese Government and SCAP Headquarters, was designed merely to give moral support and encouragement to the liberal forces struggling in Japan for reform against tradition, prejudice and reaction.<sup>90</sup> It was given by me in direct compliance with my American policy directive to encourage the establishment of democratic processes in Japan in implementation of the requirement of the Potsdam declaration that the "Japanese Government shall remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people," and because the suggested draft embodied all the principles theretofore enumerated as a guide to constitutional reform. It did not commit the Allied powers in any way or even the Supreme Commander himself except on general principles nor did it restrict in any way or degree the freedom of discussion and action by the Japanese Government and people upon the issues involved. This was fully understood by both the Japanese Government and people as eloquently demonstrated by the subsequent public discussion still in progress which has occupied large sections of the Japanese daily press.

The Far Eastern Commission, by its terms of reference, is a policy making body with no executive powers, functions or responsibilities in the administration of Japan, which are reserved exclusively to the Supreme Commander. While it has the right of review of any action taken by the Supreme Commander which involves its own "policy decisions within its jurisdiction", it is not empowered, in my belief, to require prior approval of any action taken either by the Supreme Commander or the Japanese Government to implement, fulfill or enforce the terms of surrender. It thus far has formulated no action setting up "policies, principles and standards" to govern in the revision of the Japanese constitution. It has not given the slightest indication of whether it concurs or nonconcurs with the stated American policy, other than that contained in its apparent reversal of American policy designed to maintain the voluntary character of Japanese action on constitution reform. Approval or disapproval of acts of the Japanese Government as a prerequisite to their validity is a function wholly executive in character. For the Far Eastern Commission to assert such power seems a clear violation of the terms of the Moscow agreement and the interpretation of the American Government thereof, as publicly stated by the Secretary of State. To the contrary, it appears patently clear that the function of the Far Eastern Commission in the matter of constitution reform for Japan is

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<sup>90</sup> March 6, *Political Reorientation of Japan*, p. 657.



limited to the formulation of guiding policy within the framework of the Potsdam Declaration and the surrender terms. In the absence of any such policy statement from the Far Eastern Commission, the Supreme Commander is clearly unrestricted [in] his authority to proceed in the implementation of the Potsdam Declaration and surrender terms as he interprets them or may be guided by developed American policy in point. In this matter speed is of the essence due to the fact, too readily lost sight of, that the Japanese people are now subject to their present wholly undemocratic constitution and will remain subject thereto so long as reform is delayed. Such delay, furthermore, but serves the interests of those who would much prefer that such reforms be not instituted at all.

It is too early to forecast either the course or time-table of legislative action, once the Government's draft constitution is formally submitted to the Diet, nor is it known whether any further procedure, such as by constitutional convention or plebiscite, will be determined upon for direct ratification by the people. I personally believe that provision for such direct ratification, however, is both unnecessary and undesirable. It would be cumbersome, and involve further protracted delay, with little likelihood of beneficial result. The new constitution is now being evolved on an entirely voluntary basis by the Japanese Government and people; the Government's draft was squarely before the electorate throughout the recent election campaign; it has been and is being fully discussed in all circles and through all media, and its final form is still problematical. The Diet, which will act upon it as required by the existing constitution, is composed of a membership elected with the express view of acting upon it. The important thing is to encourage the people, by their own voluntary action and method, to establish the reforms sought under Allied policy, and to do so as quickly as possible; thereafter further refinement is always within the people's right, with such leadership or direction as we may determine should be extended.

All political parties and various private groups and individuals have proposed constitutions and constitutional provisions. Such proposals have, throughout the election campaign, been widely disseminated and debated in the vernacular press and radio, and all were considered, as were the existing constitutions of nearly all of the free peoples of the earth, in the development of the Government's draft. As I stated when I indicated my approval thereof, it constitutes a realistic compromise between the several divergent political faiths. The consideration by the people of the constitutional question has been thoroughly democratic, and when it emerges in final form it will probably have been the most freely discussed and considered constitution in history. As well over 95 percent of the Japanese people

are clearly disposed to retain the Imperial institution, while free discussion thereon has been encouraged, no effort has been made to persuade them to abolish the same. Such action would do violence to the spirit of the Potsdam Declaration which left this matter to the free will of the Japanese people. The drastic reformation of the Imperial institution along democratic lines, with its survival rendered subject to the people's will as proposed in the Government's draft, bespeaks the encouragement SCAP has given this reform. The Commission could render no better service to the cause of democracy than to permit the Japanese Government and people, as I propose to do, to proceed unshackled, unhindered, and in complete freedom to work out their constitutional reforms, examining the situation only after action thereon has been completed to determine that the results achieved meet Allied standards.<sup>91</sup>

I strongly urge the Commission to reorient itself from consideration of the past, to meet those great issues on which policies have not yet been determined; to accept the proposition that the sweeping measures which the United States of necessity alone has taken, with all attendant hazards, risks and costs, in the occupation of Japan have been within the spirit of Allied purposes, and are now matters which have been largely accomplished and upon all of which action is proceeding in accordance with determined policies; to proceed at once to decide policies to govern in the solution of the remaining vital problems, foremost of which involve reparations and the position which Japan is to occupy in the post-war world, on the solution of which rests the entire question of Japan's internal economic and social reconstruction; and, in full mutual confidence and friendly spirit, to work closely and constructively with the Supreme Commander in serving the common purpose. Thereby, and thereby alone, may the objective of the Moscow agreement, in constituting the Commission as an agency to shape Allied policy for the guidance of the Supreme Commander in the discharge of his executive responsibilities, be fully and harmoniously reached. For my part, the Commission may be assured that I as Supreme Commander will make available to it copies of all special and periodic reports covering the administration of Japan, and any other special information which it may from time to time specifically desire, and do everything else reasonable within my power to facilitate discharge of the Commission's responsibility in the over-all task to which the Allied nations jointly are committed.

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<sup>91</sup> In telegram 205, May 6, 1946, from Tokyo, the Political Adviser (Atcheson) called General MacArthur's telegram "sound analysis of the relationship of SCAP to the Far Eastern Commission" and, in regard to the foregoing paragraph, added: "I would submit my full endorsement and that of the Japan experts in this office". (740.00119 Control (Japan)/5-646)



894.011/5-946

*Proposed Revision to SWNCC 228/2*<sup>92</sup>

2. If the Japanese people should desire to adopt a new Constitution through the medium of a constituent assembly, a specially elected Diet, or a popular referendum, they should not be discouraged from so doing.

740.00119 PW/5-1046 : Telegram

*The Ambassador in the United Kingdom (Harriman) to the Secretary of State*

TOP SECRET  
PRIORITY

LONDON, May 10, 1946—6 p. m.  
[Received May 10—3:17 p. m.]

5030. For the Acting Secretary. ReDept's 1863 and 1864, February 28.<sup>93</sup> We have been given preliminary reply concerning draft treaty on disarmament and demilitarization of Japan.

In handing us this letter Under Secretary Butler<sup>94</sup> stated that publication in press of fact that draft treaty on Japan had been given to UK, USSR and China made even more urgent necessity of consulting Dominions Governments as mentioned in paragraph 3 of FonOff letter which follows:

"1. We have been giving careful consideration to the copy of a draft treaty on the disarmament and demilitarization of Japan enclosed in your letter of March 1st, and I am now able to tell you that we welcome in principle the proposals contained in it. In view, however, of Mr. Byrnes' request that the draft should be handled in strictest confidence, we have given it a strictly limited circulation, and we are therefore not yet in a position to give you final views.

2. In particular, no mention of the matter has been made to the Dominions Governments, whom we should be bound to consult before finally committing ourselves. Our view, indeed, is that the Dominions Governments principally concerned, and probably the Government of India, should be signatories of any treaty of the kind proposed since, in addition to the political implications involved, these countries of the Commonwealth are providing the major part of the British Commonwealth occupation force in Japan and would be important contributors to the forces envisaged in Article IV of the draft treaty.

3. We had similarly made no mention to the Dominions Governments of the proposed treaty on German disarmament and their first knowledge of it came when Mr. Byrnes tabled the draft recently at

<sup>92</sup> Transmitted by General Hilldring to the State-War-Navy Coordinating Committee on May 9 for consideration. This paragraph was not adopted at the 40th meeting of SWNCC on May 9 and was dropped at the 41st meeting on June 27 after General McCoy had expressed disapproval.

<sup>93</sup> See footnotes 9 and 11, p. 152.

<sup>94</sup> Neville Montagu Butler, British Assistant Under Secretary of State for Foreign Affairs.



Paris. Seeing that they are so closely concerned with the provisions of your draft treaty with Japan, it would be very embarrassing to us if we continued to conceal our knowledge of it from them. Mr. Bevin would, therefore, be very glad to have the concurrence of your Government in communicating it now in strictest confidence to the Dominion Governments and to the Government of India, and to inviting their comments."

Butler stated Foreign Office had one or two brief remarks re text of treaty. In particular, he suggested clarification of phrase in first paragraph Article I that high contracting parties "shall take steps jointly". It was felt this might be of somewhat academic interest now inasmuch as most of provisions of Article I re demilitarization of Japan have been carried out. However, US is in special position in Japan and British feel same phrases as would apply to German treaty may not be entirely applicable in this case.

Question was also asked where commission of control provided for in Article II would have its seat. While presumably it would be in Japan, British feel this point might be made definitely clear and expressed preference for having committee sit in Japan rather than merely visit it from time to time.

Sent Dept as 5030; repeated to Paris as 374 for the Secretary.

HARRIMAN

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694.0031/5-1046

*Statement of Proposed Policy on Sources of Japanese Imports*<sup>95</sup>

CONFIDENTIAL

1. Except for commodities subject to formal international allocation, the primary objective in selection of the source of an import will be to minimize the cost and difficulty of procurement. Factors to be taken into account are price, terms of purchase other than price, and assurance of meeting scheduled requirements.

2. In determining the sources of imports to Japan of commodities in world short supply due consideration should be given by the proper authorities to the needs of countries other than Japan. Commodities currently subject to allocation by the Combined Boards or similar committees and their successors (hereinafter referred to as the Allocating Authorities) will be procured by the appropriate governments in cooperation with such Allocating Authority. The Allocating Authority will be fully apprized by the appropriate governments not only of the needs of Japan, but also those of other countries which are members of the Far Eastern Commission, but not members of the Allocating Authority. In the case of commodities not subject to

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<sup>95</sup> Copy of statement transmitted by the Department on May 10 to the U. S. representative on the Far Eastern Commission (General McCoy), in accordance with instructions of May 10 from SWNCC, for presentation to the Commission.

allocation, the Inter-Allied Trade Committee will provide opportunity for consultation as to proper source of the commodity with any interested member of the Far Eastern Commission.

3. In procurement of commodities in world surplus or in procurement of any commodity whose export to Japan is of substantial commercial importance to a member of the Far Eastern Commission, due consideration should be given to the pre-war trade patterns and to current distribution and price of available supplies.

*a.* When current excess stocks suitable for Japanese use are available in more than one market and the terms offered by alternative sources are similar, quotas should be fairly allocated among the sources of supply on the basis of imports during a previous representative period, account being taken in so far as practicable of any special factors which may have affected or which currently may be affecting the trade in the commodity concerned.

*b.* Procurement of Japanese imports shall be in accordance when necessary with the terms of applicable international commodity agreements covering commodities in question.

4. This statement of proposed policy will in no way be permitted to jeopardize the fulfillment of United States responsibilities for the prevention of such widespread disease or civil unrest as would endanger the occupying forces or interfere with military operations.

#### DISCUSSION

In determining the source of Japanese imports two major issues arise; fair allocation to Japan of commodities in world short supply, and the establishment of equitable sharing of Japanese market opportunities for commodities in world surplus.

The first objective can best be obtained through the mechanism of an "Allocating Authority" where one exists. Special circumstances governing procurement for Japan or the peculiar needs of any member of the FEC can be brought to the attention of the "Allocating Authority". Where no "Allocating Authority" exists, the same type of determination must be made. It is not possible to establish precise standards for all commodities since the circumstances cannot be foreseen fully, but the requirement for consultation protects the interest of all members of the Far Eastern Commission.

Procurement of commodities in world surplus must take due account of the long-run commercial interests of all the nations represented on the Far Eastern Commission while, at the same time, utilizing those supplies which are readily available at low prices. Where all customary suppliers have surplus stocks and offer similar terms, it would be expected that pre-war proportion of imports would be an important factor in determining distribution. Normally the base period used in establishing quotas will be sufficiently long to be

representative of trade movements and should exclude years in which special barter arrangements distorted normal trade patterns. However, in some instances, wartime changes in trade pattern or shifts in Japanese requirements might make reconstitution of pre-war trade sources impossible or inappropriate. It is anticipated that future international commodity agreements will cover commodities also important as Japanese imports. Japanese requirements may, in some cases, be taken into account in developing such agreements.

740.00119 Control (Japan)/5-1346: Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

RESTRICTED

TOKYO, May 13, 1946.

[Received May 14—11:23 a. m.]

215. Official matters placed on agenda for meeting of Allied Council 15 May as follows:

1. Food policy, originally proposed by British Commonwealth member and continued from previous meeting as suggested during that meeting;

2. Japanese officers corps and its demobilization, proposed by Soviet member and held over from previous meeting;

3. Manner in which the Supreme Commander consults and advises with the Council, proposed by Soviet member (this is based on Soviet protest in connection with their recent SCAP directive on destruction of Japanese naval vessels and may bring latter subject up for discussion);

4. "Address of the People's Meeting" 1 May 1946, proposed by Soviet member (reference document is a petition presented SCAP by a group participating in parades of 1 May and appears to be essentially Communist propaganda.)

ATCHESON

740.00119 Control (Japan)/5-2246

*Interim Directive From the Joint Chiefs of Staff to General of the Army Douglas MacArthur*<sup>96</sup>

SECRET

[WASHINGTON,] 13 May 1946.

Serial No. 44

# ARRANGEMENTS FOR RELEASE TO CLAIMANT NATIONS OF FORMER ALLIED VESSELS CAPTURED BY JAPAN

Employment and disposition of former Allied ships and waterborne craft of all types recaptured from the Japanese is subject:

<sup>96</sup> Copy transmitted to the Department by the State-War-Navy Coordinating Committee, with covering memorandum SWN-4327, May 22, 1946, for SCAP, issued under the provisions of paragraph III, 3, of the terms of reference of the Far Eastern Commission.



The State, War, and Navy Departments have approved the policy that the Supreme Commander for the Allied Powers (SCAP) shall utilize fully all former Allied ships and water-borne craft of all types recaptured from Japan for as long as SCAP may deem it necessary for the discharge of his responsibilities with regard to repatriation of Japanese nationals and the maintenance of a minimum Japanese economy. Any Allied agreements on these matters will be negotiated on this basis.

You will note that this policy extends the principles of the directive on Employment and Disposition of Captured Japanese Merchant Vessels,\* to provide that war and other public vessels and miscellaneous water-borne craft of all types as well as merchant vessels may be employed by SCAP on Japanese movements.

Relative to the disposition of such ships and craft when SCAP no longer deems them necessary, you are now authorized to release any former Allied war or other public vessels regardless of size (except a public merchant vessel) and all former Allied water-borne craft of any type of less than 500 gross tons direct to claimant nation where title to vessel is apparent, provided that an agreement with such nation on release of vessel or craft is executed which will provide adequate protection to SCAP and the Allied powers from any liability that may arise out of the disposition or use of such vessels or craft.

With respect to release of former Allied public merchant or privately owned merchant vessels of 500 gross tons and over, an agreement has been reached with the British Ministry of War Transport to the designation of the Combined Shipping Adjustment Board as the agency of SCAP to dispose of such vessels including action to protect the interests of SCAP and the Allied powers from any liabilities arising out of the disposition or use of such vessels.

The State Department will inform the nations who are members of the Far Eastern Commission of this directive.

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740.00119 Control (Japan)/5-1446 : Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

SECRET

TOKYO, May 14, 1946.

[Received May 15—8 p. m.]

218.<sup>97</sup> 1. As American press services (notably United Press) in some cases misquoted my remarks at April 30th Council Meeting, and as United Press story was apparently used as basis for correspondents' inquiry at Dept Press Conference, I propose when practicable

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\*Serial No. 9. [Footnote in the original; directive dated September 14, 1945.]

<sup>97</sup> Received as C 60993 through military channels.

to furnish Dept in advance with outline of comments which I expect to make at Council Meeting in regard to certain subjects. I did this in my 192, April 26th, in advance of the last meeting of the Council but apparently it did not reach attention of the Press officers of Dept.

2. In regard to subject number 4, "Address of the People's Meeting May 1, 1946", I contemplate making following remarks:

"SCAP is constantly in receipt of petitions from Jap individuals or groups of individuals. This petition is one of a hundred of various kinds recently received. It is without signature and we cannot say definitely from exactly whom it emanated except that, we understand, it was presented by a group during the course of the various parades and mass gatherings on May 1st. According to our information, the allegations in the document are not based on fact. Such allegations or complaints are of course made the subject of investigation. I repeat, again, that if any member of the Council has any concrete and definitive information bearing on these allegations, the Supreme Commander would wish to have it without delay. According to the translators, the document is not written in idiomatic Japanese but rather gives the clear impression that original had been drawn up in a foreign language and then translated into Japanese for presentation. It seems to me to be a document which is essentially concerned with internal politics in Japan. It has been the firm policy of the Supreme Commander not to interfere with internal political activities except in cases of extreme necessity. The attitude of the Supreme Commander toward the activities of various political groups in Japan has rightly been one of great generosity in permitting every possible freedom of expression and action. By directive, political prisoners have been released from prisons in which some of them have been incarcerated for many years. These prisoners have included avowed leaders and members of the Communist Party. I do not need to tell you that the United States does not favor Communism in the United States or Japan. But it has been our firm belief that, in accordance with provisions of Potsdam Declaration, Jap people should be as free as people of the United States to develop their political activities. Communist Party is not suppressed in the United States and has been allowed in Japan the same rights as other political parties and members of Communist Party have been elected to the Diet. The document which we have under consideration contains the signmarks of Communistic propaganda. We are met here for friendly and frank discussions of matters brought before us. And while I wish to offer my opinion in the friendliest way I feel that it is an obligation upon me also to be frank. It is my frank opinion that the efforts of the members of this Council should be toward the democratization of Japan and that it is not consistent with our clear duty in that respect for any member of the Council to give support in public meetings of the Council or otherwise to any one Jap political party. There is one further remark I would like to make in regard to the document. It seems to me patent that it constitutes essentially an attack upon the present Jap Govt. As that Govt resigned some time ago and is carrying on only pending

a formation of a new govt, the attack seems pointless and the document accordingly merely seems to be an attempt to spread Communist propaganda."

3. It is respectfully requested that the Far Eastern Office bring this message to the attention of Dept's Press Officers in order that, in case correspondents question the Acting Secretary, Mr. Acheson may have a correct version before him rather than a garbled and distorted press story.

4. By way of general comment on the Council meetings, while we have hoped and desired that the Council develop into an organ which might do its allotted part in facilitating and providing concrete and constructive assistance to the occupation, it is difficult in the light of our experience to be sanguine in this respect because, to our deep regret, the members of the Council have not put forth a single constructive suggestion [of?] substance. Thus the task of the American member has necessarily resolved itself into one of protecting American policy and the occupation from sniping and devious to otherwise [apparent garble] attack.

ATCHESON

740.00119 PW/5-1546

*The Acting Secretary of State to Mr. Herman H. Dinsmore of the  
"New York Times"*

WASHINGTON, May 15, 1946.

MY DEAR MR. DINSMORE: The War Department has referred to this Department your letter of April 19, 1946<sup>98</sup> in which you make certain inquiries with regard to the boundary between the northern Japanese island of Hokkaido and Soviet-controlled territory.

According to the Potsdam Declaration, "Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine". It was agreed at Yalta by President Roosevelt, Prime Minister Churchill, and Generalissimo Stalin that "the Kurile islands shall be handed over to the Soviet Union".<sup>99</sup> No boundary has yet been established to demark Japanese and Soviet territory. Presumably such decision will await the drawing up of a peace treaty.

Your specific questions may be answered as follows:

(1) The Department knows of no agreement regarding the patrol of islands "just off the coast of Hokkaido and ostensibly outside the Russian-controlled zones".

<sup>98</sup> Not printed.

<sup>99</sup> For text of agreement signed February 11, 1945, see *Foreign Relations, The Conferences at Malta and Yalta, 1945*, p. 984.



(2) The Department understands that no instructions have been issued with regard to the employment of Army forces or limitation of their operations in the specific area in question.

(3) There are no islands in the strait between Russian-occupied Saghalin and United States-occupied Hokkaido.

(4) As you are aware the Potsdam Declaration defines Japan as the four main islands "and such minor islands as we determine". There has been no agreement with the Soviet Union altering this definition and the "minor islands" referred to have yet to be determined.

Sincerely yours,

For the Acting Secretary of State:

FRANCIS H. RUSSELL

Chief

Division of Public Liaison

740.00119 Control (Japan)/5-1446

*Memorandum by the State Department Member of the State-War-Navy Coordinating Committee (Hilldring) to the Committee*

[WASHINGTON,] May 17, 1946.

COMMUNICATION FROM THE FAR EASTERN COMMISSION FOR TRANSMITTAL TO THE SUPREME COMMANDER FOR THE ALLIED POWERS

The Far Eastern Commission acting under paragraph II-1 of its Terms of Reference which provides that the functions of the Commission shall be to "formulate the policies, principles, and standards in conformity with which the fulfillment by Japan of its obligations under the terms of surrender may be accomplished" has approved on 13 May 1946 a policy decision on the question of "Criteria for the Adoption of a New Japanese Constitution".

In accordance with paragraph III, 1 of the Terms of Reference of the Commission, there is enclosed a directive based on this policy decision and it is requested that this directive be forwarded to the Joint Chiefs of Staff for transmission to the Supreme Commander for the Allied Powers.<sup>1</sup>

J. H. HILLDRING

[Annex]

*Directive for General of the Army Douglas MacArthur Prepared by the Far Eastern Commission (FEC-031/5), May 13, 1946*

PRINCIPLES GOVERNING THE MACHINERY FOR THE ADOPTION OF A NEW JAPANESE CONSTITUTION

The criteria for the adoption of a new Constitution should be such as to ensure that the Constitution, when finally adopted, is, in fact, a

<sup>1</sup> Directive sent as serial 47, May 23.

free expression of the will of the Japanese people. To this end, you will require observance of the following principles:

*a.* Adequate time and opportunity should be allowed for the full discussion and consideration of the terms of the new Constitution.

*b.* Complete legal continuity from the Constitution of 1889 to the new Constitution should be assured.

*c.* The new Constitution should be adopted in such a manner as to demonstrate that it affirmatively expresses the free will of the Japanese people.

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894.00/5-1746

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

CONFIDENTIAL

No. 423

Tokyo, May 17, 1946.

[Received May 29.]

SIR: I have the honor to enclose a copy of a written protest by the Japan Communist Party,<sup>2</sup> dated April 19, 1946, against the general election held in Japan on April 10, 1946, addressed to Premier Shidehara Kijuro, with copy forwarded to the United States Member of the Allied Council for Japan.

The protest is couched in the exaggerated language usually employed elsewhere in Communist Party propaganda and to some extent resembles an article by I. Plyshevski on Japanese elections published in *Red Star* on April 18 wherein the author charges, *inter alia*, that the Japanese "reactionaries" halted at nothing in the conduct of the electoral campaign, that "reactionaries" attacked democratic candidates, that tens of thousands of displaced voters were not registered, that the haste with which the elections were held was clearly to the advantage of "reactionaries", and that victory went to "reactionary" parties because of the support of the anti-democratic Shidehara Government.

It is also significant that as early as April 5, Lieutenant General K. Derevyanko, Member for the U.S.S.R., referred to the same general subject at the first meeting of the Allied Council for Japan held on April 5, 1946 as follows:

"The general situation in Japan and increasing activity of the reactionary forces during the election campaign undoubtedly have possessed stronger positions and have more advantages than the progressive forces give the reason to presume that the reactionary parties, contrary to the Potsdam Declaration and contrary to the interests and true wishes of the Japanese people, may have an overwhelming majority and occupy the decisive positions in the new Diet. . . ."<sup>3</sup>

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<sup>2</sup> Not printed.

<sup>3</sup> Omissions indicated in the original.

At a second meeting of the Council held on April 17, 1946 the Soviet Member stated:

" . . . It is necessary to draw attention to the fact that certain persons formerly removed from their leading posts in public organizations and political parties are continuing their activities in leading and even extending financial aid to these parties as if they remained their leaders . . ."

Comparison of the subject matter and language employed in the Japan Communist Party's protest with articles appearing in the Soviet press and the points raised by the Soviet Member at Council meetings strongly suggests that the Japan Communist Party's line is directed from Moscow.

Respectfully yours,

GEORGE ATCHESON, JR.

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740.00119 Control (Japan)/5-1846: Telegram

*The Counselor of Embassy in China (Smyth) to the Secretary of State*

TOP SECRET

NANKING, May 18, 1946—11 a. m.

[Received May 18—8:17 a. m.]

822. ReEmbtel 535, March 21<sup>4</sup> and Deptel 550, March 28. Following letter dated May 17 addressed to General Marshall by Foreign Minister Wang Shih-chieh handed to me yesterday by Dr. Wang:

"I have the honor to refer to your note of March 6, 1946 transmitting the draft treaty on the disarmament and demilitarization of Japan. The Chinese Government has given careful consideration to the draft and fully supports the policy embodied therein. It is felt that only by the complete demilitarization of Japan and the setting up of a strict inspection system as envisaged in the proposed treaty that the possibility of revival of Japanese aggression may be eliminated.

The Chinese Government is in general agreement with the provisions of the draft treaty and considers that the actual time for terminating allied occupation should be a matter for consultation and agreement between the contracting parties. If further suggestions occur to the Chinese Government, they will be brought forward when the time comes for considering the final draft.

Will you please convey the above observations of my Government to the Secretary of State."

SMYTH

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<sup>4</sup> See footnote 44, p. 185.



740.00119 Control (Japan)/5-2146

*The British Embassy to the Department of State*<sup>5</sup>

G18/ /46

## ORAL COMMUNICATION

It will be recollected that in a private and personal letter of October 4th, 1945, from Mr. Bevin to Mr. Byrnes (copy of the body of which is attached),<sup>6</sup> the former explained that the interest of the United Kingdom in Japanese affairs was such that, irrespective of the establishment of the Far Eastern Commission, His Majesty's Government considered necessary the appointment of a political representative in Japan with a suitable staff. Mr. Bevin felt that the time for making such an appointment would have to be determined in the light of circumstances and he proposed, as an interim measure, that immediate representation needs would best be met by attaching political, financial and technical advisers to General Gairdner, the Prime Minister's personal representative to General MacArthur. General Gairdner assumed the title of Head of the United Kingdom Liaison Mission and a staff of political, financial and other specialists has, in the interval since November 1945, been built up under his direction.

His Majesty's Government have now decided that, as foreshadowed in Mr. Bevin's letter of October 4th last, the time has come to appoint a political representative in Japan, and Mr. A. D. F. Gascoigne has been selected for the post. For administrative purposes the post will be of ambassadorial rank but Mr. Gascoigne will not, of course, use the title of Ambassador. This arrangement will permit General Gairdner, whose non-military work is on an increasing scale, to transfer his functions as head of the United Kingdom Liaison Mission to Mr. Gascoigne and to continue in his role of Personal Representative of the Prime Minister to the Supreme Commander.

It is expected that Mr. Gascoigne will leave London for Tokyo about the middle of June.

Mr. Gascoigne is being instructed to use his best endeavours to establish close and cordial relations with General MacArthur and the members of his staff, and it is the confident hope of His Majesty's Government that his appointment will enhance the mutual confi-

<sup>5</sup> Handed on May 22 by the British Counselor of Embassy (Graves) to the Director of the Office of Far Eastern Affairs (Vincent).

<sup>6</sup> Not printed, but see telegram 10345, October 4, 1945, from London, *Foreign Relations*, 1945, vol. VI, p. 735.

dence which already happily exists between the United States and the United Kingdom in dealing with matters affecting Japan.<sup>7</sup>

WASHINGTON, May 21, 1946.

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894.012/5-2446 : Telegram

*The Secretary of State to the Counselor of Embassy in China (Smyth)  
at Nanking*

CONFIDENTIAL

WASHINGTON, May 24, 1946—4 p. m.

193. In view of difficulty establishing citizenship status in individual cases SCAP proposes pending clarification of question to treat as Japanese nationals Formosans in Japan who continue voluntarily to reside there instead of accepting repatriation.

Please ascertain by discreet inquiry and report to Dept whether the Chinese authorities agree to such procedure.

BYRNES

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740.00119 Control (Japan)/5-2846 : Circular telegram

*The Secretary of State to Certain American Diplomatic Officers<sup>8</sup>*

RESTRICTED

WASHINGTON, May 28, 1946—9 a. m.

Brit Commonwealth Occupation Force Japan given occupational responsibility for Shikoku Island.

BYRNES

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740.00119 Control (Japan)/5-346 : Telegram

*The Secretary of State to the Counselor of Embassy in China  
(Smyth) at Nanking*

CONFIDENTIAL

WASHINGTON, May 29, 1946—9 p. m.

213. You should reply to note referred to urtel 745, May 3,<sup>9</sup> accepting in principle Chinese force of 15,000 to participate in occupation Japan and stating that (a) General MacArthur has been authorized to discuss with Chinese reps detailed arrangements for employment of this force (b) it would therefore be desirable for such reps to be authorized to discuss this matter with General MacArthur

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<sup>7</sup> In his reply of June 4, 1946, the Secretary of State reported concurrence by SCAP in this appointment (740.00119 Control (Japan)/5-2146).

<sup>8</sup> At Lisbon, London, Moscow, Nanking, and The Hague.

<sup>9</sup> Not printed. The Department's circular telegram of May 6, 1946, 7 p. m., to London and Moscow, reported the "Chinese Govt decided send 15,000 troops as occupation force Japan." (740.00119 Control (Japan)/5-646)

HQ with a view to reaching agreement on the detailed arrangements as soon as possible (c) after such agreement has been reached details will be reviewed by US and Chinese Govts and will be incorporated into final agreement on governmental level (d) arrangements will be made in Washington relative to such US logistical support for the Chinese force necessary beyond the limits of available Chinese resources.

BYRNES

740.00119 FEAC/6-346

*Memorandum by the Assistant Secretary of State (Hilldring) to the United States Representative on the Far Eastern Commission (McCoy)*

[WASHINGTON,] June 3, 1946.

I understand that you wish a statement from the Department of State in answer to certain questions raised in the Commission by Sir Carl Berendsen.

I enclose a statement for such use as you may wish to make of it but suggest that it would be advisable not to attribute it directly either to me or to the Department of State.

J. H. HILLDRING

[Annex]

*Draft Statement for the United States Representative on the Far Eastern Commission (McCoy)*

It is understood that Sir Carl Berendsen requested that answers to the following questions be supplied by the U.S. member of the Commission:

a) Has the Far Eastern Commission's statement of policy on food for Japan been sent as a directive to the Supreme Commander for the Allied Powers?

b) Has the Supreme Commander for the Allied Powers obtained the advice of the Allied Council in Tokyo in determining food requirements?

Inasmuch as the policy statement was transmitted on April 25, 1946 to General MacArthur for his guidance,<sup>10</sup> it was not believed necessary to repeat it to him in different form as a Directive. Insofar as the document is of concern to the U.S. Government, it has been brought to the attention of all interested Departments of the United States Government.

<sup>10</sup> See telegram 195, April 29, from the Political Adviser in Japan, p. 219.



It is assumed that Sir Carl's second question referred to the following passage in the Commission's document:

"The Far Eastern Commission decides as a matter of policy that, except to the extent that the Supreme Commander for the Allied Powers, with the advice of the Allied Council for Japan, determines that imports are essential immediately for the safety of the Occupation Forces, no imports shall be permitted which will have the effect of giving to the Japanese a priority or preferential treatment over the requirements of the peoples of any Allied Power or liberated area;"

It is the belief of this Government that the reference to the Allied Council for Japan in the Far Eastern Commission policy statement concerning food for Japan is recognition of the provisions of the terms of reference of the Allied Council that

"There shall be established an Allied Council with its seat in Tokyo under the chairmanship of the Supreme Commander for the Allied Powers (or his deputy) for the purpose of consulting with and advising the Supreme Commander in regard to the implementation of the terms of surrender, the occupation and control of Japan, and of directives supplementary thereto, and for the purpose of exercising the control authority herein granted."

and

"The Supreme Commander shall issue all orders for the implementation of the terms of surrender, the occupation and control of Japan, and directives supplementary thereto. In all cases action will be carried out under and through the Supreme Commander who is the sole executive authority for the Allied Powers in Japan. He will consult and advise with the Council in advance of the issuance of orders on matters of substance, the exigencies of the situation permitting. His decisions upon these matters shall be controlling."

It is believed that the Far Eastern Commission, through its policy decision on food has not altered its own or the Council's terms of reference concerning the function of the Allied Council.

So far as is known, the Supreme Commander has not consulted the Council specifically on this question. As the Supreme Commander is fully aware of the Commission's policy statement on food, it is assumed that the Supreme Commander believes that consultation with the Council at this time on the question of immediate food imports for Japan is neither necessary nor appropriate in view of the fact that his estimates of food requirements for the period of April through September have already been submitted to his Government, that these requirements were considered as the absolute minimum for the safety of his own forces and that these estimates were submitted to Washington for consideration of the Combined Food Board and for decision and action by the United States Government.

740.00119 PW/6-646

*Memorandum by the State Department Member of the State-War-Navy Coordinating Committee (Hilldring) to the Committee*

[WASHINGTON,] 6 June 1946.

Subject: Directive Regarding Aliens in Japan.

There is enclosed a draft directive prepared on the basis of a policy decision <sup>11</sup> (also enclosed) unanimously approved at the fourteenth meeting of the Far Eastern Commission on 5 June 1946, under the provisions of paragraph II, A, 1, of its terms of reference.

It is requested that the enclosed directive be forwarded to the Joint Chiefs of Staff for transmission, if the directive in their opinion satisfactorily expresses the policy decision of the Far Eastern Commission, to General MacArthur for his guidance in accordance with paragraph III, 1 of the terms of reference of the Commission.<sup>12</sup>

J. H. HILLDRING

[Annex]

*Draft Directive for General of the Army Douglas MacArthur Regarding Aliens in Japan*

1. The major policies in regard to aliens in Japan including Formosan-Chinese and Koreans are that:

a. Aliens should be allowed, if they so desire, to leave Japan as early as possible, except such persons who are held as war criminals or for security reasons; and

b. Subject to your general control the Japanese authorities should be held responsible for the care, safety, and welfare of such persons and for their transportation to ports of embarkation.

2. To carry out these policies, you shall take the following steps:

a. *Neutral Nationals.*

All nationals of neutral nations should be required to register with the appropriate military authorities and their respective governments should be notified as to the location and status of these persons. All nationals of neutral nations who have actively participated in any way in the war against one of the United Nations should be arrested for disposition in conformity with other instructions. Neutral nationals should be accorded no special privileges of communications or business relations with their home countries or people resident outside Japan. The persons, archives, and property of diplomatic and consular officials of neutrals should be accorded full protection.

<sup>11</sup> FEC-034/1, not printed.

<sup>12</sup> Forwarded by SWNCC to the Joint Chiefs of Staff on June 8; sent as serial 51, June 11, to SCAP; and copy sent to the Far Eastern Commission on June 20.

*b. United Nations Nationals.*

(1) Civilians who are nationals of the United Nations should be, except as noted below, repatriated, if they so desire upon the concurrence of the government concerned. All such civilians resident or interned in Japan should be identified, examined closely and, if you deem it advisable, placed in custody or restricted residence. You shall inform the representatives of the nationals' government of the reasons for the arrest or restricted residence of those nationals and consult with them concerning future treatment of such persons. Any such person who has played an active part in the formulation or execution of the Japanese program of aggression or who is believed to be desired by his government as a renegade or quisling should be held for disposition in accordance with applicable directives.

(2) Persons of Japanese race claiming citizenship of any other United Nation should be repatriated only upon concurrence of the government of such nation.

*c. Stateless persons.*

Central European refugees from Nazi oppression and Italian non-Fascists should be assimilated in treatment to United Nations nationals, providing such persons have not supported the Axis cause.

*d. Responsibilities of the Japanese Authorities.*

Measures should be taken on behalf of United Nations nationals and neutrals to insure the health, welfare and transportation to a port from which they may embark for transoceanic destinations, and should, in so far as practicable, be the responsibility of the Japanese Government. Any deficiencies resulting in the carrying out of these measures in respect to United Nations nationals shall be supplied by you and the cost thereof should be charged to the Japanese Government. Repatriation from such a port should be provided in accordance with appropriate arrangements between the governments concerned.

*e. Political, Racial and Religious Prisoners.*

Prisoners of non-Japanese nationality found held by the Japanese should be examined for identification and their records reviewed for determination of the cause of detention. All those found to be detained solely on political, racial or religious grounds, should be released except those whom you decide to hold for security reasons. Those detained should be given prompt trial.

*f. Non-Japanese Nationals of the Countries which are or have been at war with the United Nations in the Second World War.*

(1) All nationals of countries except Japan with which any of the United Nations are or have been at war in the Second World War (Bulgaria, Finland, Germany, Hungary, Italy, Rumania and Siam) should be identified and registered and may be interned or their activ-



ities curtailed as may be necessary under the circumstances. Diplomatic and consular officials of such countries except those identified as loyal to the cause of the United Nations should be taken into honorable custody, held for investigation, and thereafter repatriated in accordance with the provisions of subparagraphs (2), (3), (4) and (5) below.

Property, real and personal, owned or controlled by persons who have been detained or arrested under the provisions of the foregoing paragraph should be taken under control pending directions as to its eventual disposition.

(2) Those non-Japanese enemy nationals who were known as agents or propagandists of Nazism and Fascism (including research experts and students, scientifically skilled persons, persons holding administrative posts in commerce or government and all those who sought repatriation to enemy countries during the period of hostilities) should be interned and, after confirmation and agreement by the appropriate authorities in their home countries, repatriated.

(3) Those non-Japanese enemy nationals not subject to internment and repatriation should be given their freedom unless internment is necessary for their protection.

(4) The voluntary repatriation of enemy or ex-enemy nationals of non-Japanese nationality not subject to forceable repatriation should be permitted.

(5) Transportation to a port of embarkation for transoceanic destination should be at the expense of Japan and repatriation therefrom should be provided in accordance with appropriate arrangements between the governments concerned.

*g. Formosan-Chinese and Koreans.*

(1) You shall treat Formosan-Chinese and Koreans as liberated people in so far as military security permits. They are not included in the term "Japanese" as used in this paper but they have been Japanese subjects and may be treated, in case of necessity as enemy nationals. They should be identified as to nationality, place of residence and present location. They may be repatriated if they so desire under such regulations as you may establish. However, priority will be given to the repatriation of nationals of the United Nations.

If you find it necessary, you shall direct the repatriation of Formosan-Chinese and Koreans and coordinate such repatriation with the repatriation of Japanese nationals from Korea and Formosa.

(2) Arrangements for the repatriation of Formosan-Chinese should be made with the government of China by the United States Government.

(3) Pending completion of arrangements for the repatriation of Koreans formerly resident in Korea north of 38° North Latitude, between the Soviet Union and the United States, you may, if you find it necessary, repatriate such Koreans to that part of Korea south of 38° North Latitude.

(4) When arrangements have been entered into as indicated in subparagraphs (2) and (3) above, and subject to such arrangements, you shall permit voluntary repatriation of Formosan-Chinese and Koreans and may direct their repatriation if you deem such action necessary. Priority, however, should be given to the repatriation of nationals of the United Nations.

(5) Formosan-Chinese and Koreans should be protected from hostile Japanese elements. You shall insure that the Japanese authorities make adequate provision in fact for the care, safety and welfare of Formosan-Chinese and Koreans pending their repatriation.

*h. Protection of Property.*

(1) Within such limits as are imposed by the military situation, you shall take all reasonable steps necessary to preserve and protect the property of United Nations Nationals in Japan.

(2) Record of wages, bank deposits and ownership of securities and other personal property of all aliens should be preserved.

*i. Return to Homes in Japan.*

Aliens having homes in Japan and not held as war criminals or for security reasons, should be permitted to return to their homes as soon as conditions permit.

*j. Use of UNRRA and Voluntary Agencies.*

UNRRA and private relief agencies may be used at your discretion wherever available in the care and repatriation of United Nations nationals and those assimilated to them in treatment.

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740.00119 Control (Japan)/6-746 : Telegram

*The Secretary of State to the Political Adviser in Japan (Atcheson)*

RESTRICTED

WASHINGTON, June 7, 1946—6 p. m.

346. For Political Adviser News item in *Washington Post* dated Tokyo, June 4, and supplied by *Chicago Sun* Foreign Service states that a Japanese Govt land reform plan submitted to SCAP and Allied Council with your endorsement was disapproved by "Chief of Staff" as "sham reform" on advice of SCAP experts. Article further states that "well placed group within headquarters have come to feel that wide transfer of land of big landholders to landless 'smacks of communism'".

Nothing is known in Washington of reported action and inquiries have been made in Far Eastern Commission. Your comments would be appreciated.<sup>13</sup>

BYRNES

740.00119 FEAC/6-1046: Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

CONFIDENTIAL

Tokyo, June 10, 1946.

PRIORITY

[Received June 11—11 a. m.]

260. (1) Agenda for Allied Council meeting June 12:

1. Additional areas in which the Japanese may conduct fishing and whaling;
2. Resumption of relations between Japanese labor organizations and labor organizations in other countries;
3. Disposition of government property;
4. Rural land reform;
5. Integration of repatriates into the national life of Japan;
6. Operation of Japanese merchant marine;
7. Dissolution of Japan Lumber Company, Limited, and local lumber companies;
8. Address of the People's Meeting, 1 May 1946.

(2) All items except No. 8 placed on the Agenda by the Supreme Commander; Nos. 2, 3 and 4 are holds-over from last meeting. Item No. 8 proposed by Soviet member is hold-over from meeting of April 29 and May 15 and is being continued at request of Soviet member.

(3) During meeting I shall expect to make comment as follows:

(a) At opening of meeting: "Before opening our regular proceedings it is appropriate to mark the sad circumstance that, since the last meeting, our valiant ally, the Soviet Union, has suffered the loss of its wartime chairman of the presidium of the Soviet Supreme Council, Mr. Mikhail Kalinin. I speak for the Supreme Commander and, I am sure, for the other members in tendering to the member for the USSR the sincere condolences of this Council on the death of a great Soviet leader."

(b) Item No. 1, fishing and whaling: "I have asked the Secretary General to place this item first on the agenda because of the growing urgency of the food problem in Japan, and I assume that the members will be agreeable to my action in so doing. You have doubtless read in the press recent reports in regard to the number of persons being found dead in the streets from starvation. The number is increasing. Since November from 12 to 1300 persons are known to have died from

<sup>13</sup> Telegram 258, June 10, 1946, from Tokyo, replied: "There is no truth whatsoever in the quotations. I myself had no part in the matter except to preside as Chairman of the Allied Council . . . on May 19." (740.00119 Control (Japan)/6-1046)



starvation in the Tokyo-Yokohama areas. During May the known deaths were 267—an average of 9 every day during the month. I do not have figures for deaths in other areas but mine operators have reported to Headquarters that many of the miners are unable to continue performing maximum work because of physical deterioration due to lack of sufficient food. Operators of spindles and steel mills also report that the laborers are not able to keep up with the heavy work.

“I express the hope that the members are prepared to offer definitive comment in this matter in order that action on it may not be further delayed. It is not a problem which conflicts in any way with any other problem before us and it should, I believe, offer no great difficulties for decision. There is a corollary question of obtaining Soviet permission for the Japanese to resume fishing off Kamchatka, which has been taken up with the Soviet Govt. It is my understanding that the reply of the Soviet Government was in the negative but it may be that renewed consideration can be given to the matter. Our immediate problem today is the question of the expansion of fishing areas as indicated on the maps which have been furnished each member.”

(c) Item No. 5, repatriation: “Attached to the Chief of Staff’s letter is a map tabulation and also a table dated 4 June giving the approximate original strength of Japanese nationals in various areas, the number evacuated to date and the number still to be evacuated. These figures are a little over a week old and as the repatriation from certain areas has been progressing according to schedule, they are not of course absolutely up to date but furnish us an approximation sufficiently close for our purposes. Here [*There?*] is perhaps a discrepancy in the figures listed for Manchuria because we do not know where all of the Japanese troops and other nationals captured by the Soviet Army are situated at present. Perhaps the Soviet member will be in position to furnish us that information.”

(d) Item No. 8, so-called address of the People’s Meeting of May 1: “As No. 8 on the agenda, we still have the petition of May 1 entitled ‘Address of the People’s Meeting’. This subject was retained on the agenda at the request of the Soviet member and we now have it before us the 3rd time. It will be recalled that the Soviet member was dissatisfied with the report which I made to the Council at the last meeting relating to our investigation of the allegations made in the petition. At his request, I asked for additional investigation, that investigation has now been made, and I report to the Council that no evidence has been produced to support the allegations, which are admittedly vague and unspecific. I conclude, as I think we all must, that those allegations have no foundation in fact. In passing it seems to me a most curious circumstance that although our discussions here have been given unusually wide coverage in the Japanese press, no one of the persons purporting to be responsible for the May 1 paper has come forward with any specific information in support of the allegations.”

ATCHESON

894.011/6-1246

*Note by the Secretaries of the State-War-Navy Coordinating  
Committee*<sup>14</sup>

TOP SECRET

[WASHINGTON,] 11 June 1946.

SWNCC 228/3

UNITED STATES POLICY IN REGARD TO THE ADOPTION OF A NEW JAPANESE  
CONSTITUTION

The enclosure, a study on the above subject presented by the State Member, is circulated for consideration by the Committee.

ALEXANDER D. REID

B. L. AUSTIN

HAROLD W. MOSELEY

*Secretariat*

[Enclosure]

TOP SECRET

*United States Policy in Regard to the Adoption of a New Japanese  
Constitution*

MEMORANDUM BY THE STATE MEMBER, SWNCC

THE PROBLEM

1. The problem is to determine United States policy on the issues in regard to the adoption of a new Constitution for Japan.

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".<sup>15</sup>

DISCUSSION

3. See Appendix "B".<sup>15</sup>

CONCLUSIONS

4. It is concluded that the draft statement in Appendix "C"<sup>16</sup> and the draft message in Appendix "D"<sup>17</sup> are statements of United States policy on the several issues which have arisen as to the adoption of a new Japanese Constitution.

<sup>14</sup> Handwritten notation on the original: "Submitted to SWNCC but no action as yet taken. 12 June 1946." In a memorandum of June 12 to the Counselor (Cohen), Mr. Vincent confirmed this fact and added: "In view of the complexities of this problem and the involvement of both the Far Eastern Commission and SCAP, I presume you and Mr. Byrnes may wish to read this paper." (894.011/6-1246) At the 41st meeting of SWNCC on June 27, this document was approved as recommended.

<sup>15</sup> Not printed.

<sup>16</sup> See subenclosure 1.

<sup>17</sup> See subenclosure 2.

## RECOMMENDATIONS

5. It is recommended that:

*a.* The State-War-Navy Coordinating Committee approve the statement of United States policy in Appendices "C" and "D".

*b.* The statement of policy in Appendix "D" be forwarded to the President for transmission to General MacArthur for his information and guidance.

*c.* Appendix "C" be forwarded to the United States member of the Far Eastern Commission for his guidance in the preparation of a statement for the Commission on the United States position in reference to the authority of the Commission regarding the adoption of a new Japanese Constitution.

[Subenclosure 1]

TOP SECRET

## APPENDIX "C"

PROPOSED STATEMENT BY UNITED STATES REPRESENTATIVE ON THE FAR  
EASTERN COMMISSION ON THE FUNCTION OF THE COMMISSION IN  
PASSING ON THE NEW JAPANESE CONSTITUTION

1. The Japanese Government and people are competent to adopt a new Constitution provided it is approved in accordance with Japanese constitutional requirements and is consistent with the provisions of the Terms of Surrender, including the Potsdam Declaration, and of other controlling documents.

The Potsdam Declaration contains the following statements which describe certain features which must characterize a new Japanese Constitution: (1) "The Japanese Government shall remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people. Freedom of speech, of religion and of thought, as well as respect for the fundamental rights, shall be established"; (2) "The occupying forces of the Allies shall be withdrawn from Japan as soon as these objectives have been accomplished and there has been established, in accordance with the freely expressed will of the Japanese people a peacefully inclined and responsible Government".

2. The Far Eastern Commission has the function "to formulate the policies, principles, and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished".

The Far Eastern Commission, therefore, has the authority to determine the principles and standards in accordance with which the



new Japanese Constitution should fulfill the provisions of the Potsdam Declaration.

3. The Far Eastern Commission has the right to pass upon a new Constitution to determine whether it is consistent with the provisions of the Potsdam Declaration and of pertinent policy decisions of the Far Eastern Commission.

The Secretary of State, on March 12, 1946, stated that "before the Constitution becomes constitutionally effective it will in some way or other come before the Far Eastern Commission". The United States representative on the Far Eastern Commission joined with the other representatives on the Commission in voting for the following provision: "The Commission desires that the Supreme Commander for the Allied Powers make clear to the Japanese Government that the Far Eastern Commission must be given an opportunity to pass upon the final draft of the Constitution to determine whether it is consistent with the Potsdam Declaration and any other controlling document before it is finally approved by the Diet and becomes legally valid".

4. The competence of the Far Eastern Commission "to pass upon the final draft of the Constitution" is limited to determining whether the Constitution is consistent with the Potsdam Declaration and any other controlling documents. The Commission appears to have been given no authority to "pass upon" the draft Constitution in any other respect or for any other purpose.

5. Since the Japanese Government and people are competent to adopt a new Constitution provided it is not determined to be inconsistent with certain provisions prescribed by the Allied Powers, a draft Constitution will in due course become effective, unless the Far Eastern Commission finds that it is not consistent with the Potsdam Declaration and other requirements. There is no provision for a formal approval of the Constitution by the Far Eastern Commission. In fact, acceptance, amendment or rejection by the Far Eastern Commission of each section or paragraph would itself violate the intention of the Potsdam Declaration that the new government in Japan must be established "in accordance with the freely expressed will of the Japanese people".

6. When the Far Eastern Commission passes on the draft Japanese Constitution, the Commission may conclude that it is not consistent with the Potsdam Declaration and other requirements and may insist on adequate changes in the draft. If the Commission does not find that the draft is inconsistent with those requirements, the draft Constitution, in accordance with the competence of the Japanese Government and people to adopt a new Constitution, and without formal action by the Commission, will become effective after it has fulfilled Japanese constitutional provisions.

7. It would be advisable for the Far Eastern Commission to pass upon the Constitution just before rather than just after it has been adopted by the Diet. This is the view of the Far Eastern Commission, as expressed in its policy decision of March 20. The best time might be after the Committee of the Whole, if the Diet has this procedure, has passed it, but before the full Diet has voted on it.

[Subenclosure 2]

TOP SECRET

#### APPENDIX "D"

TO GENERAL MACARTHUR:

1. In view of the obligations of this Government under the Potsdam Declaration, the policy decision of the Far Eastern Commission of May 13th, and other commitments, it is deemed advisable to inform you of our position in regard to these obligations and our views on the several issues which have arisen as to the adoption of a new Japanese Constitution.

2. This Government is in full accord with the desire expressed in your recent communications that a new Japanese Constitution should express the free will of the Japanese people and accordingly concurred in the policy relative to criteria for the adoption of a new Japanese Constitution, which was unanimously approved by the Far Eastern Commission on May 13, 1946. We believe that to achieve this objective and to implement this policy decision you should take such action as is necessary for the Diet to give ample time to a detailed consideration and full discussion of the pending Cabinet draft, any other drafts, and all amendments presented.

3. It was recently reported that the Japanese Government expected the Diet to adopt a new Constitution by the end of June at the latest. It is difficult, as you have stated, to determine in advance the length of time necessary for the consideration of the Constitution. This Government, however, believes that a period of three or four weeks from the time of the introduction into the Diet of the Constitution is much too short. It is contrary to precedent in the United States where State Constitutions have required on the average nearly three and one-half months consideration in the respective Constitutional Conventions. It is also contrary to precedents in Europe where the Constituent Assemblies after the first World War took on the average sixteen months each to complete their work.

4. Consideration of the Constitution limited to as short a time as has been suggested would be widely interpreted as evidence that the new Constitution had been pushed through the Diet and that it

did not express the free will of the Japanese people. Such a result would not be to the interest of the United States, would give rise to widespread public criticisms and would further embarrass our relations with our Allies since many members of the Far Eastern Commission would undoubtedly wish to disapprove the adoption of a Constitution in this manner.

5. Further, this Government believes that it would be advisable, provided it should be acceptable to the Japanese, to have the new Constitution receive final ratification by some media other than the present Diet: that is, by a specially elected Constituent Assembly or another Diet elected with the Constitution as a campaign issue, or a popular referendum. In spite of pressure for the adoption of such a procedure from practically all other members of the Far Eastern Commission, General McCoy has made it clear in the Commission that the United States will not permit you to be embarrassed by a policy decision which would require a constituent assembly, a second Diet or a referendum. However, a final approval of the Constitution by either a Constituent Assembly or referendum or both would be in line with American precedents. As you are well aware, in the United States since about 1800 the normal procedure for the adoption of State constitutions has been, first, a constitutional convention, and second, the submission to the people for approval of the constitution framed by the convention. In Europe modern constitutions have normally been framed by bodies specifically elected for the purpose of framing constitutions, and the recent draft constitution for France was submitted to a popular referendum. A constitutional convention or a public referendum would give additional opportunity to the Japanese to discuss a new constitution, would largely remove the apprehension of some of our Allies that the Constitution is being rushed to early ratification, and would be an additional safeguard against any subsequent Japanese claim that the Constitution did not express the free will of the Japanese people. If any of these methods should be followed, provisions would need to be adopted to make the procedure constitutional and to assure legal continuity from the existing Constitution to the new Constitution, which might be effected in accordance with Article 73 of the present Constitution. [Article 73 is in Annex].<sup>18</sup> It is believed that these provisions would be necessary in order to prevent later insistence by Japanese constitutional lawyers or ultra-nationalists that the new Constitution had been imposed on the Japanese from without, that it had no standing in law and hence should be considered null and void.

6. This Government believes therefore that it would be advisable for you to discuss this matter with suitable Japanese leaders and make

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<sup>18</sup> Brackets appear in the original.



clear to them that there is no objection to final ratification of the Constitution by a constituent assembly or second Diet elected expressly for the purpose, or a referendum.

7. As to the authority of the Far Eastern Commission in regard to the adoption of a new Japanese Constitution, the Secretary of State said on March 12 that "before the Constitution becomes constitutionally effective it will in some way or other come before the Far Eastern Commission". This Government was a participant in the adoption by the Far Eastern Commission on March 20 of a policy decision which contained the following statement: "the Commission desires that the Supreme Commander for the Allied Powers make clear to the Japanese Government that the Far Eastern Commission must be given an opportunity to pass upon the final draft of the Constitution . . .".<sup>19</sup> In the view of this Government, the competence of the Far Eastern Commission to pass upon the Constitution is limited to ascertaining whether the Constitution is inconsistent with the requirements of the Potsdam Declaration and any other controlling documents, particularly a probable policy decision of the Far Eastern Commission, now pending in committee, on "Basic Principles for a new Japanese Constitution", which, if adopted by the Commission, will doubtless be based on SWNCC 228. The Commission would not in our judgment be authorized to pass upon the Constitution in the sense of accepting, amending, or rejecting each section or paragraph. If the Far Eastern Commission should conclude that the Constitution did not fulfill the requirements of controlling documents it would doubtless so state. Our position is that the new Japanese Constitution will become effective when it has fulfilled the Japanese constitutional provisions unless the Far Eastern Commission finds that it has failed to meet Potsdam and other requirements.

8. We believe it would be in order for the Far Eastern Commission to pass upon the draft constitution just before rather than just after it has been adopted by the Diet. The best time might be after the Committee of the Whole, if the Diet has this procedure, has passed it, but before the full Diet has voted on it. If the Far Eastern Commission should conclude that the draft Constitution in certain respects did not meet the requirements set out in the controlling documents, the Japanese could make the necessary adjustments or changes before rather than after the Diet had formally and finally approved it.

9. We have gone into this subject at such length both because it appears advisable to make clear the views of this Government in regard to the appropriate procedures to be followed in the adoption of a new Constitution and because the issue as to the method of the adoption

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<sup>19</sup> Omission indicated in the original.

of the new Japanese Constitution is causing this Government increasing concern in its relations with the ten other states on the Far Eastern Commission. These states in the main are giving strong support to your administration and the representatives of these states have expressed great admiration for your achievements in Japan. They have, however, a growing impression that the United States Government is giving scant attention to their views and considered judgments on those matters which are clearly within their competence. With this situation in mind, we believe that it should be made clearly known in Japan by means which you deem appropriate, that every opportunity will be afforded for ample debate on the Constitution and for an adequate expression of the free will of the Japanese people by methods already described which will be consistent with normal American procedure and acceptable to the Japanese. This Government strongly believes that such opportunities should be afforded and also finds itself in agreement with the other states on the Far Eastern Commission on this principle.

TOP SECRET

#### ANNEX TO APPENDIX "D"

#### THE PRESENT CONSTITUTION OF JAPAN

#### CHAPTER VII

##### *Supplementary Rules*

Article LXXIII. When it has become necessary in future to amend the provisions of the present Constitution, a project to that effect shall be submitted to the Imperial Diet by Imperial Order.

In the above case, neither House can open the debate, unless not less than two-thirds of the whole number of Members are present, and no amendment can be passed, unless a majority of not less than two-thirds of the Members present is obtained.

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740.00119 PW/6-1746 : Telegram

*The Acting Secretary of State to the Political Adviser in Japan  
(Atcheson)*

SECRET

WASHINGTON, June 17, 1946—6 p. m.

359. For Political Adviser from the Acting Secretary. You will recall that on April 29 in Paris the Secretary announced his proposal for 25-year disarmament and demilitarization treaties for Germany and Japan. At that time he made public the text of the draft for

Germany.<sup>21</sup> In order to complete the public record, Department now plans to release for publication on June 21 draft treaty for Japan.<sup>22</sup> Department's following telegram (Number 360)<sup>23</sup> contains revised text of draft treaty on Japan in form in which recirculated to Moscow, Chungking, and London on June 13, 1946. Please inform General MacArthur.

ACHESON

740.00119 Control (Japan)/6-1846: Telegram

*The Counselor of Embassy in China (Smyth) to the Secretary of State*

CONFIDENTIAL

NANKING, June 18, 1946—9 a. m.

[Received June 18—7:20 a. m.]

1001. ReEmbtel 745, May 3.<sup>24</sup> 67th Division (formerly honored Second Division of 53rd Army) has been designated basic unit of Chinese occupation force to be sent to Japan. Total strength this force, supplemented by necessary service personnel, is 12,367 officers and men. Units this force concentrated Shanghai, Kowloon and Haiphong and will depart for Japan upon receipt notice from SCAP and arrival of ships for transportation.<sup>25</sup>

SMYTH

894.011/6-2146: Telegram

*The Political Adviser in Japan (Acheson) to the Secretary of State*

SECRET

TOKYO, June 21, 1946.

[Received June 23—5 p. m.]

281. 1. I have received letter dated May 27 from Nelson Johnson on attitude of Far Eastern Commission toward draft constitution which has disturbed us here very much and I am sending you by mail copy my reply June 19<sup>26</sup> which I venture to hope may receive your personal attention.

2. In view of what is to us startling and incomprehensible attitude based on misconceptions and lack of knowledge of situation I wish to lay before you following comment and pertinent statements of fact:

<sup>21</sup> Released by the Department on April 30; Department of State *Bulletin*, May 12, 1946, p. 815.

<sup>22</sup> For text, see Department of State *Bulletin*, June 30, 1946, p. 1113. An official copy was sent on June 24 to the Far Eastern Commission for its information.

<sup>23</sup> Not printed.

<sup>24</sup> Not printed, but see footnote 9, p. 238.

<sup>25</sup> An exchange of notes confirming arrangements for the Chinese occupation force in Japan was finally completed; see the note of October 4 to the Chinese Ambassador, p. 329.

<sup>26</sup> Neither printed; they are summarized in this telegram.



(a) Neither General MacArthur nor anyone in Headquarters has had slightest intention or inclination to "jam" constitution through this or any Diet. There has been no intervention or intention to intervene in question of how or when draft is to be considered by present or any future Diet.

(b) While General MacArthur has expressed his approval of the draft, there has been no pressure from this headquarters in favor of it and his consistent attitude has been, and is known to the Japanese to be, that question of evolving democratic constitution is entirely up to them within the purview of the applicable language of the Potsdam Declaration.

(c) Present Diet is as representative of the people as any Diet can be. It is result of free elections in which vast majority of electorate, including women, participated. Question of constitution was last issue before the electorate which went to the polls primarily to elect representatives to consider constitutional revision.

(d) For 8 months question of constitution has been under active discussion by Jap officials, educators, newspapers, writers, radio commentators, and political leaders who have brought before the vast majority of the people through all possible media every aspect of the problem. Similarly there have been widely disseminated in the vernacular press views expressed by Far Eastern Commission, editorial writers, official and semi-official spokesmen and commentators, etc., in other countries. It is my opinion that there are few instances in history in which a proposed fundamental charter of national life has received such widespread public discussion and consideration. By its own terms, draft if approved cannot go into effect for six months from date of promulgation. New amendment procedures are provided for in the draft.

(e) The draft is a Japanese document. It does not seem to me at all curious that the Jap drafting committee should draw heavily in language and provisions upon terms and underlying tenets of US Constitution. Other countries have done so to advantage in the past.

(f) As regards question of legal continuity, there is no legal procedure for adoption of the existing constitutional framework but by placing draft by imperial order before the Diet where it must receive stipulated majority approval. To hold special constituent assembly, referendum, et cetera would violate FEC directive and would in addition be illegal here.

3. I hope that the American delegates can do some missionary work among FEC members and dissipate the misconceptions and erroneous impressions which seem to be abroad in the matter. Terms of the Potsdam Declaration and the other directives have all been, and are being, scrupulously followed by SCAP. We are well aware here that there are those among Allied representatives who do not wish to see a democratic constitution in effect in Japan. (The attitude of Japanese Communist Party toward the constitution is *prima facie* evidence of that fact.) My experience with the Council and other considerations have been bringing me to view that there are those among our Allies, or among representatives of some of our Allies, who do not wish to see the American occupation here succeed. It has been

a fundamental precept of American policy implementation to allow and encourage the Jap to effect their own reforms. General MacArthur adopted this sound, wise and far-sighted policy at the outset, and history is bearing him out that this is only policy by which the Jap can be guided into willing pursuit of the paths which will lead to achievement of our objectives. In my opinion there would be no quicker way to destroy value of or to undermine Jap people's respect for any new constitution, than to have them feel that it was dictated by Far Eastern Commission or by any group of foreign representatives of foreign powers.

The setting up of a framework for a democratic government is the most vital political question before the Jap people and is the most important political problem still confronting American and Allied interests in this country and its future. Whatever draft may be evolved and receive approval in this or subsequent Diet, it would, in my considered opinion, be a calamity from point of view of our interests to interfere with or obstruct its progress toward law so long as it conforms to the Potsdam Declaration and the other US and FEC policy directives.

In their bewildered state of mind at time of surrender the Jap narrowly avoided political chaos. Under the occupation they have been gradually groping their way forward. Significant milestones on their path were their undertaking of constitutional reform and election of a new Diet. The Japanese now consider themselves moving ahead more and more under their own power toward constructive accomplishment and to retard or reverse this movement would be highly dangerous to our objectives. Thus, to us here on the ground, the importance of this question cannot be overemphasized.

ATCHESON

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894.011/6-2646

*Statement by General of the Army Douglas MacArthur on Submission of Draft Constitution to the Japanese Diet, June 21, 1946*<sup>27</sup>

"With the submission to the Diet of a proposed revision of the constitution, the Japanese people face one of the vital moments in the life of Japan. The fundamental charter of their existence will be determined by the action taken on this monumental question. In its solution, it has been and continues to be imperative (a) that adequate time and opportunity be allowed for the full discussion and consideration of the terms of such a charter; (b) that the procedure followed assures complete legal continuity with the constitution of 1889 now

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<sup>27</sup> Copy of statement transmitted to the Department in despatch 476, June 26, 1946, from the Political Adviser in Japan; received July 8.

existing; and (c) that the manner of adoption of such a charter demonstrates that it affirmatively expresses the free will of the Japanese people.

"These criteria governing the mechanics involved in constitutional revision thus far have been scrupulously followed, and they must continue to guide now that the issue is before the National Diet. For over eight months the revision of the constitution has been the paramount political consideration under discussion by all parties and all classes of the Japanese people. Numerous drafts have been prepared by the various political parties, educational groups, publicists, and individuals of all shades of thought and opinion. The press and radio and every other medium of discussion have been employed to an extent seldom witnessed in any national forum. Rarely has a fundamental charter, regulative of national life, been more thoroughly discussed and analysed.

"The Government Draft now before the Diet is a Japanese document and it is for the people of Japan, acting through their duly elected representatives, to determine its form and content—whether it be adopted, modified or rejected. It therefore behooves members of the Diet to act upon this vital matter with the solemnity, with the wisdom and with the patriotism which they owe their country and the people they represent—scrupulously avoiding the influence of political creed, undue ambition, or selfish intrigue.

"The present Japanese constitution provides in Article LXXIII:

'When it has become necessary in future to amend the provisions of the present constitution, a project to the effect shall be submitted to the Imperial Diet by Imperial Order. In the above case, neither House can open the debate, unless not less than two-thirds of the whole number of Members are present, and no amendment can be passed, unless a majority of not less than two-thirds of the Members present is obtained.'

It was in view of this constitutional requirement that the Government took measures to the end that the last election, which qualified the members of this Diet, was held with the Government Draft Constitution squarely before the people and under the paramount consideration that those elected would be charged with the duty of acting thereon. Few elections in modern times could be regarded as more truly democratic, reliable and expressive of the free will of the people. As a consequence the Diet which emerged therefrom is fully representative and qualified to express the will of the people on this issue.

"In the course of legislative action upon this matter, it is incumbent upon the Diet that it assure to all members the free, fair and untrammelled right of discussion and debate, and that it give thoughtful consideration to every suggestion offered by its membership, regardless



of strength or party affiliation. If it approach its task with that high sense of duty, it will serve the nation well, as on the issue of a democratic constitution rests the future well-being of the Japanese people."

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694.0031/6-846

*The Department of State to the British Embassy*

AIDE-MÉMOIRE

The Government of the United States welcomes the comments on the Japanese import and export programs presented in the British Government's *aide-mémoire* No. 362 of June 8, 1946, 145/104/46.<sup>28</sup>

The views expressed by the British Government concerning the foreign trade programs for Japan will be given continuing study. In the meanwhile the United States Government wishes to make several comments, of which the first two are general in nature and the succeeding ones specific.

*General Comments:*

1. Owing to a variety of circumstances—ranging from the disrupted state of industrial production and transport in Japan to the lack of final policy determinations by the Allied Powers on a number of points—the import program drawn up by SCAP several months ago and submitted in January was necessarily only an approximate and somewhat tentative estimate of requirements for the year. A similar observation may be made on the export program.

2. The United States Government concedes that trading relations between Japan and countries (including the British Commonwealth) other than the United States have not developed as rapidly as would be desirable. A number of factors have operated to retard this development, among which might be mentioned the failure to solve the problems involved in establishment of Governmental trade representation in Tokyo, and the lack of final working arrangements concerning methods of settlement and currency conversion.

*Specific Comments:*

3 *a, b, c.* The United States Government agrees that other cotton-producing countries which formerly sold cotton to Japan and which are able to meet the general conditions for trade with Japan during the period, should be taken into account. This Government has placed the question of the determination of the sources of Japanese imports before the appropriate Committee of the Far Eastern Commission. With respect to salt and other commodities which are neither in critically short world supply nor are complicated by the existence of

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<sup>28</sup> Not printed.

large surpluses, it is anticipated that purchases by the Supreme Commander will be guided in a large part by considerations of price and means of payment. As noted, inquiries have already been made by the Supreme Commander in British Africa.

*d.* The Government of the United States concurs in the desire that procurement of nicotine sulphate and derris root for Japan will not operate to the detriment of the United Nations. Japan's requirements stated in the import program will be carefully screened with the needs of other areas in mind.

3 *e*; 4 *e*, *f*. This Government is endeavoring to secure additional information concerning the exact descriptions of commodities listed on the Japanese export program and will expect to make the information so received available to all interested governments. In the case of specific commodities in which the British Government may have a particular current interest, it is suggested that the British Government may wish to make direct inquiry in Tokyo through its liaison mission accredited to the General Headquarters for the Supreme Commander for the Allied Powers.

4 *a*. There is much merit in the suggestion that raw wool should be included in the import program for the purpose of supplying material for the manufacture of woolen textiles for export. This possibility has been discussed with representatives of the Australian Government and is being submitted to the Supreme Commander for comment.

4 *b*, *c*, *d*. The British Government's observations concerning the inclusion of pig iron and manganese ore in the import program are noted. Further comment on these stated requirements will be reserved until additional information is received from the theater. Further information will also be sought concerning the certification of textile machinery for export.

WASHINGTON, June 24, 1946.

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894.011/6-2446

*Memorandum by the Director of the Office of Far Eastern Affairs  
(Vincent) to the Under Secretary of State (Acheson)*

TOP SECRET

[WASHINGTON,] June 24, 1946.

Subject: Japanese Constitution

There are attached four papers in regard to Japanese governmental reform with particular reference to basic principles for a new Japanese constitution.

Paper (A)<sup>29</sup> is from an early SWNCC paper pre-dating the advent of FEC.

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<sup>29</sup> FEC 19, "Reform of the Japanese governmental system", not printed.

Paper (B)<sup>30</sup> is an FEC committee re-draft of the early SWNCC paper.

Paper (C)<sup>31</sup> is a drastically simplified British paper on the same subject.

Paper (D)<sup>32</sup> is, as it states, a reconciliation of the British original paper to meet the views of some of the FEC committee members.

The question of the adoption of a paper is now actively before the FEC and will probably come up for consideration this week. Only Papers (B) and (D) are being currently considered. (B) is considered a satisfactory substitute for (A) by many committee members. The British, I understand, have withdrawn (C) in favor of (D) and therefore (C) is of interest only in showing the great latitude which the British were willing to grant the Japanese in the matter of constitution. Almost any constitution could be made to square with the broad terms of the British original paper.

4 members of FEC favor Paper (B). They are, if I am correctly informed, Australia, New Zealand, The Netherlands, and the Soviet Union. 4 members favor Paper (D). They are Great Britain, the Philippines, France, and India. The United States and Canada members have reserved their position. The Chinese apparently will vote for either paper but would, I believe, vote for the one for which we vote.

I have discussed this matter with General Hilldring, with members of General McCoy's staff, and with representatives of the War Department. Either draft is acceptable to the War Department. General McCoy, I am told, favors (D). General Hilldring has a "leaning" towards (B) but would not make an issue of the matter if unanimity could be achieved for (D).

I prefer (B) primarily because it represents our thinking in the matter and it would seem to me that we would look a little foolish at this date if we came out for the modified British draft when we have 4 members in favor of the draft which incorporates our original ideas.

The argument against (B) is that it is too detailed and also that it seems to keep alive the question of whether there shall be an Emperor in Japan when it is assumed that the Japanese have already settled that issue, at least for the time being. I do not consider this a valid objection. Draft (B) still represents our thinking on the matter, would be favored by a majority if we and the Chinese stood by it, and provides a more precise measuring stick for the Japanese constitution, quite aside from the so-called "dead" Emperor issue.

The British have said that they would veto (B). It seems to be assumed, without definite knowledge, that the Russians would veto

<sup>30</sup> FEC-031/13, "Basic principles for a new Japanese constitution", not printed.

<sup>31</sup> SC 012/6, not printed.

<sup>32</sup> FEC-031/13, not printed.



(D). I would be willing to support (D) if by so doing we could avoid any veto. But if there is to be a veto, I would prefer that we stand by (B) on the issue. As a matter of fact, I have my doubts that the British in the last analysis would veto (B) provided some small concessions are made to their point of view. On the other hand, I have a feeling that Australia and New Zealand would be right out in front voting with a Russian veto of (D) if the Russians decided on a veto.

I have been asked to put the question before you. The question is whether we continue to stand for (B), facing the possibility of a British veto, or whether we switch to (D) and take a chance on adverse votes by the Soviet Union, Australia, New Zealand, and possibly the Netherlands. We shall, of course, continue to work for a draft agreeable to all concerned but if this fails I would like to have your advice on our stand.<sup>33</sup>

J[OHN] C[ARTER] V[INCENT]

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694.0031/6-2146

*Statement of Proposed Policy on "Destinations of Japanese Exports"*<sup>34</sup>

1. Except for commodities subject to formal international allocation a primary objective in selection of the destination of an export is to maximize the proceeds. Factors to be taken into account in assessing the value or proceeds of sale are price, the purchasing power of the currency for which the commodity is sold, and the availability of necessary imports which can be procured with the proceeds of the export.

2. Commercial exports as distinct from commodity movements on reparations account or restitutions shall be made only to those recipients who agree to provide imports necessary for Japan in exchange or agree to pay for Japanese exports in foreign exchange usable for procuring necessary imports. Foreign exchange is considered usable under any of the following circumstances:

a. Freely convertible into dollars or other so-called "hard" currencies.

b. Inconvertible, but usable to pay for imports already purchased (whether or not shipped), but not paid for.

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<sup>33</sup> On June 26, 1946, Mr. Vincent wrote General Hilldring that Mr. Acheson preferred draft (B) instead of (D), but it would be better "to work out some compromise paper which could at least receive majority support including the support of the 4 members having veto power." General Hilldring then informed General McCoy of this. (894.001/6-2446)

<sup>34</sup> Copy transmitted by the Department on June 25, 1946, to the U. S. representative on the Far Eastern Commission, in accordance with instructions of June 21 from SWNCC, for presentation to the Commission.

c. Inconvertible, but stable in value and subject to a specific agreement with the area within which the currency is valid—subject to the condition that excess balances of the currency in question arising from sale of Japanese exports, not usable for purchase of imports, within a reasonable time period, will be made convertible into dollars.

3. Commodities which are in short world supply and which are subject to allocation by the Combined Boards or similar committees and their successors (hereinafter referred to as the "Allocating Authorities"), should be allocated for sale in cooperation with such Allocating Authority, and after consultation with members of the Far Eastern Commission through the Inter-Allied Trade Board. The Allocating Authority should be fully apprised of the interests of Far Eastern Commission member of countries who are not on the Allocating Authority.

4. In the case of commodities which on the advice of the Inter-Allied Trade Board are determined to be of substantial importance and in short world supply, but not subject to allocation by an Allocating Authority, an allocation may be made by the United States Government after proper consultation with the Inter-Allied Trade Board. In determining such allocations, the primary objective should be to maximize the proceeds of the export. If alternative purchasers of the commodity offer similar terms, allocations should be arrived at on the basis of

- a. requirements of countries for industrial raw materials,
- b. the pre-war pattern of trade,
- c. and the necessity to obtain exchange usable in paying adverse net import balances.

5. In the case of commodities not in short world supply, competitive bids and the highest net offer will in general govern the destination of an export. Other factors to be given due consideration when the net returns from alternative purchasers are similar are:

- a. pre-war pattern of trade, except where such trade would promote dependence of other countries on Japan for strategic products,
- b. and the necessity to obtain exchange usable in paying adverse net import balances.

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894.628/7-146

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

CONFIDENTIAL

No. 481

Tokyo, July 1, 1946.

[Received July 15.]

Subject: Extension of Japanese Fishing and Whaling Areas.

SIR: I have the honor to refer to this Mission's despatch No. 464, June 12 [18], 1946,<sup>35</sup> entitled, "Sixth Meeting of Allied Council for

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<sup>35</sup> Not printed.

Japan, June 12, 1946", and to enclose a copy of a memorandum of June 4, 1946,<sup>86</sup> from the Acting Chief of Staff, General Headquarters, SCAP, to the Allied Council for Japan, requesting comments of the Council concerning a partial staff study pertaining to authorizing fishing and whaling by the Japanese, and a copy of the pertinent portions of the verbatim minutes of the sixth meeting of the Council covering discussion on this subject. There are also enclosed copies of a directive, Scapin 1033, June 22, 1946, to the Japanese Government on the subject, "Area Authorized for Japanese Fishing and Whaling", of a letter dated June 20, 1946, from Lieutenant General K. N. Derevyanko, Member for the Union of Soviet Socialist Republics of the Council on this subject, and of my reply, June 24, 1946, as Chairman of the Council.

General Derevyanko's questions in the Council meeting were principally designed to elicit information on technical details, such as: the volume of estimated excess of the fish-catch and destinations of such exportable excess; detailed comparisons of the Japanese fishing fleet by types of vessels at the beginning of the war and at present; information regarding new construction of fishing vessels, especially steel vessels; numbers of fishing personnel and their registration; and the possibility of distributing fishing vessels among the Allied Powers. As a preliminary opinion, General Derevyanko stated during the Council meeting of June 12: "in principle I have no objections to permitting the Japanese to conduct fishing and whaling in the suggested area as a temporary arrangement".

In his letter of June 20, General Derevyanko indicated that his Government had reversed him and was opposed to the extension of existing Japanese fishing areas. The reasons advanced were that (1) the present area allotted to the Japanese is sufficient to fulfill internal Japanese demands, and (2) the extension of fishing areas for Japan is related to the creation of a large ocean-going fishing fleet, the size of which is subject to discussion by the Allies and the Far Eastern Commission. In my reply of June 24, I mentioned that the estimated catch mentioned in the Council meeting was largely speculative and based upon the average catch during pre-war years when the Japanese fishing industry was in far better condition than today. I also stated that I could perceive no connection between the size of the post-war Japanese fishing fleet and the temporary emergency measure under discussion.

The Soviet attitude toward this problem is difficult to reconcile with the realities of the food situation in Japan today. The reversal of General Derevyanko's preliminary approval by the Soviet Government may be an indication of continued Soviet opposition to constructive measures undertaken by SCAP to alleviate the serious food

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<sup>86</sup> Enclosures not printed.



shortage. In the light of the discussion concerning this problem which took place in the sixth meeting of the Council, the reasons advanced in General Derevyanko's letter appear specious and suggest a continued Soviet desire to hamper the policies of the Occupation in Japan.

Respectfully yours,

GEORGE ATCHESON, JR.

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694.0031/7-246 : Circular airgram

*The Acting Secretary of State to American Diplomatic and  
Consular Officers*

WASHINGTON, July 2, 1946—10:50 a. m.

This Government's policy concerning the trade of third countries with Japan during the present period is summarized herein for the information of the Foreign Service and as a guide for replies to inquiries which may be received by diplomatic and consular offices.

Plans for the general control of Japanese trade were described in the Department's Radio Bulletin No. 53, dated March 2, 1946. As stated therein, direct trading relations between the Japanese and private firms in other countries, including the United States, is prohibited at the present time.

The Supreme Commander for the Allied Powers is responsible for ascertaining Japan's import requirements and the types of products available for export. His recommendations are submitted to Washington for review in as much as certain commodities, such as export items in short world supply or import items originating in countries where special export controls exist, involve policy which must be determined on a governmental and sometimes intergovernmental basis. Appropriate Washington authorities, acting upon the recommendations submitted by the SCAP, make final determination of the export and import programs. The programs for 1946 have been approved and distributed to all members of the Far Eastern Commission.

Special problems are raised in handling goods in critically short world supply and goods of which there are important surpluses. The guidance of international allocating committees and of the Far Eastern Commission is sought on such commodities. Subject to the obvious limitations imposed by Japan's status as an occupied country and by trade controls currently existing in many countries, every effort is made to conform to American commercial policy and to established trade practice.

Responsibility for procuring approved imports for Japan rests with the United States War Department and SCAP. Purchases are made by the Office of the Quartermaster General, either through its

field offices overseas or by its headquarters in the United States, or by SCAP.

Exports from Japan are handled by duly authorized purchasing agencies of interested governments. All exports to the United States are sold by the United States Commercial Company. It is probable that on request of the country concerned or of the SCAP, the services of the USCC will be available for handling shipments to other countries.

Private firms or persons in any given country desiring to purchase Japanese goods may initiate inquiries or negotiations as follows:

(1) In a country whose government has designated an official purchasing agency for the procurement of Japanese products, by communicating with that agency;

(2) In a country lacking such a purchasing agency, by communicating with the USCC in Tokyo (through their own government's liaison mission accredited to the SCAP) or in Washington (through their regular consular or diplomatic offices).

As stated in the aforementioned radio bulletin, current policy is to import into Japan only essential commodities required to prevent disease and unrest and accomplish the objectives of the occupation and, as far as possible, to use the proceeds from selected exports as payment for imports. Purchasers of Japanese exports are required to pay in foreign currencies usable for procuring necessary imports or must agree to provide needed imports in exchange.

ACHESON

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894.011/7-346

*Memorandum by the State Department Member of the State-War-Navy Coordinating Committee (Hilldring) to the Committee*

[WASHINGTON,] July 3, 1946.

Subject: Release of Statement of Policy Regarding Basic Principles for a New Japanese Constitution, approved by Far Eastern Commission on July 2, 1946.

In reference to the statement of policy (FEC-031/19) regarding Basic Principles for a New Japanese Constitution unanimously approved at the eighteenth meeting of the Far Eastern Commission on July 2, 1946,<sup>37</sup> the Secretary General of the Far Eastern Commission has requested that the Supreme Commander be informed that in adopting this statement of policy, the Far Eastern Commission agreed that it would be released to the press, but expressed a desire that the Supreme Commander decide whether he would prefer to release the

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<sup>37</sup> For directive sent as serial 54, July 6, to General MacArthur, see *Political Reorientation of Japan*, p. 661.

statement of policy himself in Tokyo or have it released by the Far Eastern Commission in Washington.

The Secretary General stated that it would be appreciated if the Supreme Commander's decision could be made known to the Commission as soon as practicable. It is requested that the Joint Chiefs of Staff transmit the enclosed communication<sup>38</sup> to General MacArthur.

J. H. HILLDRING

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S94.011/7-1046

*Memorandum by the Secretary of State to the Secretary General of the Far Eastern Commission (Johnson)*

WASHINGTON, July 12, 1946.

Subject: Views of the Supreme Commander for the Allied Powers on the Public Release of Statement of Policy Regarding Basic Principles for a New Japanese Constitution, approved by the Far Eastern Commission on July 2, 1946.

In reply to your letter of July 3, 1946,<sup>39</sup> in regard to the above subject, there is enclosed, for the information of the Far Eastern Commission, a copy of a message from the Supreme Commander for the Allied Powers concerning the question of the release to the press of the statement of policy regarding Basic Principles for a New Japanese Constitution approved by the Far Eastern Commission on July 2, 1946.

[Annex]

*Telegram From General of the Army Douglas MacArthur*

[Tokyo,] 8 July 1946.

There is no inconsistency between the basic principles governing constitutional reform approved by the Far Eastern Commission on July 2 and those previously prescribed by the United States Government and SCAP. As consequence, the draft constitution now under consideration by the Diet at the instance of the Japanese Government conforms in every respect to the basic principles outlined and scrupulous care will be exercised to insure that the constitution finally adopted by the Diet contains no provision inconsistent therewith. It would appear, however, that the public release of the directive at this time would be grave, if not fatal, error.

The Japanese Government and people, by virtue of the Potsdam surrender terms, have since the start of the occupation been evolving

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<sup>38</sup> Not printed.

<sup>39</sup> Not printed, but see memorandum of July 3, *supra*.



their own form of government and, with the advice of and consultation with SCAP, voluntarily have been moving toward constitutional reform designed to produce a thoroughly democratic state. The publication, under these circumstances, of a restrictive and mandatory directive would tend to provoke a revulsion of the Japanese people against any such reform, irrespective of its terms, as the voluntary character of the work now in process would instantly become clothed with the taint of Allied force. It would vitiate the requirement contained in the Potsdam declaration, and fundamental to all subsequent policy enunciated on constitutional reform, including that of the Far Eastern Commission, that any such action must be responsive to the free will of the Japanese people. It would not only seriously threaten the gains already made in the democratization of Japan but would materially increase the hazards and difficulties which yet confront the occupation. I, therefore, recommend most earnestly that this directive be regarded with the same discretion which invariably surrounds diplomatic procedure under conditions of equivalent delicacy.<sup>40</sup>

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894.011/7-1246

*The Chairman of the Far Eastern Commission (McCoy) to the  
Assistant Secretary of State (Hilldring)*

CONFIDENTIAL

WASHINGTON, 12 July 1946.

DEAR GENERAL HILLDRING: At the 19th meeting of the Far Eastern Commission on July 11 the question of the authority of the Far Eastern Commission to approve a new Japanese Constitution was raised again. The matter has been under consideration by the Commission for some time in general terms, but was brought specifically to a head at yesterday's meeting in such a way as to demand prompt resolution. I would therefore appreciate it if you could arrange for me to have at an early date a statement of United States policy on the subject of the authority of the Far Eastern Commission to approve a new Japanese Constitution for the guidance of the American delegation on the Commission.

As a possible position for the United States in this connection I am enclosing a draft <sup>41</sup> which I hope you may find helpful in giving me the necessary guidance. The draft, entitled "United States Policy in Regard to the Authority of the Far Eastern Commission to Approve a New Japanese Constitution" is one which seems to me and my advisers

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<sup>40</sup> On July 15 a reply was sent to SCAP through the Joint Chiefs of Staff after approval by SWNCC. The message accepted General MacArthur's recommendation but asked for later release of the policy statement on a date to be approved by SCAP.

<sup>41</sup> Enclosure 1.

adequately meets the issue, and which I think also stands a good chance of being supported by the other governments represented on the Commission.

For your information the following immediate background is pertinent to the issue. At the Commission meeting on July 11 the enclosed paper, FEC-031/23, "Provisions for the Review of a New Japanese Constitution", <sup>42</sup> was up for consideration. Of the 11 representatives on the Commission, 10 were prepared to accept this paper. The Soviet representative alone dissented and insisted that the paper should include an additional paragraph on the subject of the authority of the Commission to approve the new Constitution. Such a second paragraph had been a part of the paper, but had been deleted prior to consideration of the paper by the Commission because it had been impossible to agree on its language.

The deleted second paragraph read as follows:

"The new constitution, unless previously disapproved by the Far Eastern Commission, will in due season after promulgation become the legal successor of the present constitution without awaiting final review by the Diet and the Far Eastern Commission in terms of the foregoing paragraph."

This paragraph had been accepted in the Steering Committee, again with 10 representatives concurring, but with the Soviet representative insisting that its language be changed to read as follows:

"The new constitution, ~~unless previously disapproved~~ *after approval* by the Far Eastern Commission, will in due season after promulgation become the legal successor of the present constitution without awaiting final review by the Diet and the Far Eastern Commission in terms of the foregoing paragraph."

It was the hope of the Steering Committee, in deleting this controversial second paragraph, that the Commission could approve the review principle embodied in the first paragraph.

The Soviet statement at the Commission meeting on this subject is enclosed for your information.<sup>43</sup> Your particular attention is invited to the 5th paragraph of the Soviet statement, in which the position is taken that a new Japanese Constitution can go into effect only after it has positively been approved by the Far Eastern Commission and after a consequent United States directive to this effect has been issued to the Supreme Commander.

Very sincerely yours,

FRANK R. MCCOY

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<sup>42</sup> Enclosure 2.

<sup>43</sup> Enclosure 3.

[Enclosure 11]

*Draft Statement of Policy for the United States Representative on the Far Eastern Commission* <sup>44</sup>

UNITED STATES POLICY IN REGARD TO THE AUTHORITY OF THE FAR EASTERN COMMISSION TO APPROVE A NEW JAPANESE CONSTITUTION

1. The Japanese Government and people are competent to adopt a new Constitution provided it is enacted in accordance with Japanese constitutional requirements and is consistent with the provisions of the Terms of Surrender, including the Potsdam Declaration and of the policy decisions of the Far Eastern Commission.

The Potsdam Declaration contains the following statements which describe certain features which must characterize a new Japanese Constitution: (1) "The Japanese Government shall remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people. Freedom of speech, of religion and of thought, as well as respect for the fundamental rights, shall be established"; (2) "The occupying forces of the Allies shall be withdrawn from Japan as soon as these objectives have been accomplished and there has been established, in accordance with the freely expressed will of the Japanese people a peacefully inclined and responsible Government".

2. The Far Eastern Commission has the function "to formulate the policies, principles, and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished".

The Far Eastern Commission, therefore, has the authority to determine the principles and standards in accordance with which the new Japanese Constitution should fulfill the provisions of the Potsdam Declaration.

The Far Eastern Commission determined these principles and standards by a policy decision, FEC 031/19, adopted on July 2, 1946.

3. The Far Eastern Commission has the right to pass upon a new Constitution to determine whether it is consistent with the provisions of the Potsdam Declaration and of pertinent policy decisions of the Far Eastern Commission.

The Secretary of State, on March 12, 1946, stated that "before the Constitution becomes constitutionally effective it will in some way or other come before the Far Eastern Commission". The United States representative on the Far Eastern Commission joined with the other representatives on the Commission in voting for the following

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<sup>44</sup> Draft was approved by SWNCC 228/8, July 16, and sent to General McCoy on July 22.



provision: "The Commission desires that the Supreme Commander for the Allied Powers make clear to the Japanese Government that the Far Eastern Commission must be given an opportunity to pass upon the final draft of the Constitution to determine whether it is consistent with the Potsdam Declaration and other controlling documents before it is finally approved by the Diet and becomes legally valid."

4. The competence of the Far Eastern Commission "to pass upon the final draft of the Constitution" is limited to determining whether the Constitution is consistent with the Potsdam Declaration and other controlling documents, including the policy decisions of the Commission. The Commission appears to have been given no authority to "pass upon" the draft Constitution in any other respect or for any other purpose.

5. The Terms of Reference of the Far Eastern Commission and of the Allied Council contain no provision, either expressed or implied, that a new Japanese Constitution requires the approval of the Far Eastern Commission.

The Terms of Reference of the Far Eastern Commission state (III, 3):

"The U. S. Government may issue interim directives to the Supreme Commander . . .<sup>45</sup> provided that any directives dealing with fundamental changes in the Japanese constitutional structure . . . will be issued only following consultation and following the attainment of agreement in the Far Eastern Commission."

This requirement bars the United States Government from issuing an interim directive dealing with fundamental changes in the Japanese constitutional structure, and provides that any directive dealing with the subject must follow the attainment of agreement in the Far Eastern Commission. The recent directive to SCAP containing the "Basic Principles for a New Japanese Constitution" (FEC 031/19), a policy decision adopted by the Far Eastern Commission on July 2, 1946, was sent in accordance with this section of the Terms of Reference. There is nothing in this section, however, which requires that a directive must be issued to validate an action of the Japanese Government, such as the adoption of a new Constitution, which is within the competence of that Government provided the action is not inconsistent with existing requirements of the Allied Powers.

The Terms of Reference of the Allied Council state (section 6):

"If, regarding the implementation of policy decisions of the Far Eastern Commission on questions concerning . . . fundamental changes in the Japanese constitutional structure . . . a member of the Council disagrees with the Supreme Commander (or his Deputy),

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<sup>45</sup> Omissions indicated in the original.

the Supreme Commander will withhold the issuance of orders on these questions pending agreement thereon in the Far Eastern Commission”.

This requirement is applicable solely to instances when the Far Eastern Commission has issued a policy decision concerning a fundamental change in the Japanese constitutional structure. It does not require the Far Eastern Commission to issue any policy decision on the subject. It therefore does not stipulate or imply that a new Japanese Constitution must receive the approval of the Far Eastern Commission.

6. Since the Japanese Government and people are competent to adopt a new Constitution provided it is not inconsistent with the provisions prescribed by the Allied Powers, a draft Constitution will in due course become effective, unless the Far Eastern Commission finds that it is not consistent with the Potsdam Declaration and other requirements. A formal approval of the Constitution by the Far Eastern Commission in the sense of acceptance, amendment or rejection by the Commission of each section or paragraph would violate the intention of the Potsdam Declaration that the new government in Japan must be established “in accordance with the freely expressed will of the Japanese people”.

7. When the Far Eastern Commission passes on the draft Japanese Constitution, the Commission may conclude that it is not consistent with the Potsdam Declaration and other requirements and may insist on adequate changes in the draft. If the Commission does not find that the draft is inconsistent with these requirements, the Draft Constitution, in accordance with the competence of the Japanese Government and people to adopt a new Constitution, and without formal action by the Commission, will become effective after it has fulfilled Japanese constitutional provision.

[Enclosure 2]

*FEC-031/23 Presented to the Far Eastern Commission, July 11, 1946*

PROVISIONS FOR THE REVIEW OF A NEW JAPANESE CONSTITUTION

In order that the Japanese people may have an opportunity, after the new constitution goes into effect, to reconsider it in the light of the experience of its working, and in order that the Far Eastern Commission may satisfy itself that the constitution fulfills the terms of the Potsdam Declaration and other controlling documents, the Commission decides as a matter of policy that, not sooner than one year and not later than two years after it goes into effect, the situation with respect to the new constitution should be reviewed by the Diet. Without prejudice to the continuing jurisdiction of the Far Eastern

Commission at any time, the Commission shall also review the constitution within this same period. The Far Eastern Commission, in determining whether the Japanese Constitution is an expression of the free will of the Japanese people, may require a referendum or some other appropriate procedure for ascertaining Japanese opinion with respect to the Constitution.

[Enclosure 3]

*Soviet Statement, July 11, 1946, on the Authority of the Far Eastern Commission To Approve a New Japanese Constitution*

The paper FEC-031/23, which is submitted for our consideration today, in its original form contained two paragraphs and out of these the first paragraph covered the provisions for the review of a new Japanese constitution while the second one dealt with the provisions for its going into effect. Now we are offered to adopt only the first paragraph of that document concerning the provisions for the review of the constitution.

I wish to state here that the Soviet Delegation, taking into account some of the considerations which have been expressed here, is prepared to concede with respect to the last sentence of the first paragraph and accept the wording which was suggested by the U.S. Delegation. But I am unable to consent upon the exclusion from that document of its second paragraph. It is my view that the question of provisions for the constitution's going into effect cannot be divorced from the question of reviewing it, and logically it should inevitably precede it. There is not much sense in speaking of how and when and who is going to review the constitution unless we come to a preliminary agreement on how and when it goes into effect.

At the last meeting of the Commission the Soviet Delegation proposed to make an amendment in the original second paragraph to the effect that the new Japanese constitution prior to its going into effect should come for approval by the Far Eastern Commission.

This suggestion of the Soviet Delegation was contended by some of the members of the Far Eastern Commission. The Soviet Delegation considers it necessary to give a complete clarity to this question as it is of fundamental importance and upon its solution it will be dependent whether the Far Eastern Commission intends to live up to the spirit and letter of the Moscow decisions of the Three Ministers in respect to the scope of its jurisdiction.

In the Soviet Government's view it is doubtless that such question as the new Japanese constitution's going into effect does fall under the provisions of the Article 3, Part III of the Moscow decisions, which



provides that substantial changes in the Japanese constitutional structure are subject to agreement within the Far Eastern Commission. This question is one of those upon which the U. S. Government should necessarily issue a directive to the Supreme Commander after an appropriate consultation with the Far Eastern Commission and after reaching in the Commission an agreement on acceptability of the Japanese constitution from the viewpoint of application of the principles of the Potsdam Declaration. After this only, the Japanese constitution approved as complying with the principles of the Potsdam Declaration can go into effect. A different approach to the question would be contrary to the Moscow decision regarding the terms of competence of the Far Eastern Commission.

In stating this point of view and bearing in mind the extreme importance of this question, the Soviet Delegation invites all the representatives of the member-nations of the Far Eastern Commission to define their position on this question and state formally their viewpoint regarding the Far Eastern Commission's prerogative to approve, in accordance with the Moscow decisions of the Three Ministers, the new Japanese constitution as the necessary prerequisite of the latter's going into effect.

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740.00119 Control (Japan)/7-1846

*The Secretary of State to the Secretary of the Treasury (Snyder)*

WASHINGTON, July 18, 1946.

MY DEAR MR. SECRETARY: The Department of State wishes to advise the Treasury that a policy has been adopted which would permit private individuals and firms to export and to sell to Japanese nationals in Japan news services, publications and films upon the following conditions:

1. The Supreme Commander for the Allied Powers in Tokyo must be of the opinion that the proposed activities of the person or firm involved would contribute to achievement of the objectives of the occupation;

2. The news services, publications and films must be priced in yen and sold for yen;

3. The yen received in payment shall be used only for expenditures by the person or firm on such Japanese goods and services as are clearly essential to its approved operations in Japan, including the procurement in Japan for its own account of news, publications and films but excluding specifically the acquisition of any interest in business enterprises or in real property except for temporary rental of necessary facilities. Such yen shall in no event be transferable against foreign exchange to any other person or firm and no assurance shall be given as to the possibility of these yen being converted into foreign exchange. Furthermore, under existing theater regu-

lations, these yen may not be used in payment for food or accommodations which may be furnished by SCAP to the representatives of such persons or firms.

The War Department has advised the State Department that the Supreme Commander for the Allied Powers will implement this policy and enforce the conditions set forth above. Accordingly, the Department of State believes that it would be in the national interest for the Treasury Department to grant licenses for such operations to persons and firms approved by the War Department. The Department suggests that the Treasury Department advise each licensee substantially as follows:

[Here follows draft based on paragraphs numbered 1-3.]

Sincerely yours,

For the Secretary of State:

JOHN H. HILLDRING

*Assistant Secretary*

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740.00119 Control (Japan)/7-2446

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

RESTRICTED

No. 518

TOKYO, July 24, 1946.

[Received August 8.]

SIR: I have the honor to refer to this Mission's despatch no. 487, July 5, 1946,<sup>46</sup> and previous correspondence, in regard to meetings of the Allied Council for Japan, and to forward as an accompaniment five copies each of the Agenda, Summary of Proceedings, and Verbatim Minutes of the ninth meeting of the Council held on July 10, 1946.<sup>47</sup>

Considerable discussion was held on the subject integration of repatriates into the national life of Japan, continued from the meeting of June 26, 1946. The Chinese Member expressed the opinion that this question is one for the Japanese Government to solve and that a directive should be sent to that Government with the view to having a definite plan formulated for discussion in the Council. This view was also shared by the Soviet Member. The British Commonwealth Member (an Australian) expressed his opinion in a lengthy oral statement to the effect that this subject is one which is intimately connected with the general unemployment problem and with foreign trade. He filed eight general recommendations for improvement of economic conditions which appear in the verbatim minutes, page 7, *et seq.*

Items 2, 3, 4, and 5 on the agenda were concerned with various health measures and were suggested by the Supreme Commander with a view to obtaining the advice of the Council regarding certain aspects

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<sup>46</sup> Not printed.

<sup>47</sup> Enclosures not printed.

of these important problems. The British Commonwealth, Chinese, and Soviet Members contended that these subjects were inappropriate for discussion in the Council. Item 2, "Maritime Quarantine" was carried forward to a subsequent meeting at the request of the Soviet Member.

In explanation of the question raised by item 6 on the agenda, I made an oral statement based upon information supplied by the Japanese concerning the objectives of the "Japanese Commission on the Investigation of the Courses which Led to War and to Defeat". After hearing this explanation, the Soviet Member recommended that the Supreme Commander be advised to dissolve the Commission. The Chinese Member was of the opinion that the establishment of this Commission might be a good thing, and that if there were any tendency to "whitewash" some of the war criminals, it would be an easy matter for the Supreme Commander to put a stop to such tendency. The British Commonwealth Member saw difficulties in allowing the Commission to proceed if its findings were inconsistent with Allied pronouncements concerning the cause of the war. Finally, the British Commonwealth Member, when asked directly whether he concurs with the Soviet Member's recommendation, hedged by saying that the subject needs to be carefully reconsidered. As United States Member, I stated that I do not concur with the Soviet Member's recommendation.

On the subject of "Labor Legislation in Japan", item 7 on the agenda, I made an oral statement concerning the Supreme Commander's labor policies in Japan. This statement appears on page 23, *et seq.*, of the verbatim minutes. After listening to an explanation by Mr. Cohen of the Labor Division of the Economic and Scientific Section of General Headquarters concerning changes in labor legislation, major labor legislation now in force, and of the rights of trade unions, the Soviet Member read a lengthy statement embodying twenty-two principles which he recommended for the revision and improvement of existing labor legislation. This statement appears on page 31, *et seq.*, of the verbatim minutes. As the Soviet Member's statement had been given to the press on the previous evening, as most of his recommendations were already in effect, and as his action was obviously an effort to indicate to the public that he was taking the lead in labor reform, I made the statement which is set forth in the verbatim minutes on page 35, *et seq.* After a recess for luncheon, the British Commonwealth Member, who is inclined to give direct or other support to the Soviet Member as against American policy, stated that he was unable to find signs of Communist propaganda in the Soviet proposals. (This is, of course, a statement of fact. The propaganda aspect of the matter was the Soviet Member's endeavor to



imply that his recommendations were new and needed, and that only the Soviet Union was the champion of the worker). The Soviet Member characterized my oral statement as of "intentionally propagandist character", in general took strong exception thereto, and reserved the right to refer to this subject at a subsequent meeting.

On the subject of "Government Compensations for the Former Companies of War Industries", item 8 on the agenda, after hearing an explanation by Commander Akin of the Economic and Scientific Section of General Headquarters, the British Commonwealth and Chinese Members suggested that the item be carried forward to the next meeting. The Soviet Member recommended that no compensation be paid to companies comprising the former war industry of Japan, and that money already so paid to these industries be returned to the Japanese Treasury.

Respectfully yours,

GEORGE ATCHESON, JR.

894.011/7-2946

*Memorandum by the State Department Member of the State-War-Navy Coordinating Committee (Hilldring) to the Committee*

[WASHINGTON, July 26, 1946.]

Subject: Communication from Chairman of Far Eastern Commission for transmittal to the Supreme Commander for the Allied Powers.

The Far Eastern Commission, acting under paragraph VI of its Terms of Reference, which provides that the Commission "may make such arrangements through the chairman as may be practicable for consultation with the Supreme Commander for the Allied Powers", requested its chairman on July 25, 1946 to consult with the Supreme Commander for the Allied Powers on the matter referred to in the enclosure.

It is requested that the attached enclosure be forwarded to the Joint Chiefs of Staff for transmission to the Supreme Commander for the Allied Powers.<sup>48</sup>

J. H. HILLDRING

[Annex]

*Draft Communication for General of the Army Douglas MacArthur*

CONSULTATION WITH THE SUPREME COMMANDER FOR THE ALLIED  
POWERS ON THE TEXT OF THE CONSTITUTION

The Far Eastern Commission requests the Chairman of the Commission to arrange for consultation between the Commission and the

<sup>48</sup> The Joint Chiefs of Staff on July 30 sent the communication to SCAP.

Supreme Commander for the Allied Powers regarding the fulfillment by the draft of the new Japanese constitution of the principles contained in the Potsdam Declaration and in the Commission's policy decision concerning the constitution, FEC 031/19.<sup>49</sup> To facilitate this consultation the Commission requests the Chairman to convey to the Supreme Commander the substance of the following communication and to state to him that the Commission would greatly appreciate his views on the questions raised therein.

1. The Far Eastern Commission is making a preliminary study of the draft of the new Japanese constitution (MI 003/1), which is now before the Diet, to determine whether the present draft satisfies the criteria established by the Commission in its statement of policy on basic principles and by the Potsdam Declaration and other controlling documents. Any comments which the Supreme Commander may wish to make on the points raised in this preliminary study would be most helpful to the Commission's work.

2. In the course of this preliminary study doubts have arisen as to whether in certain respects the draft constitution satisfies the criteria established by the Commission in its statement of policy on basic principles (FEC 031/19). The following examples may be cited:

(a) *Cabinet*. FEC 031/19 provides that a majority of the Ministers of State, including the Prime Minister, shall be selected from the Diet. The draft constitution does not now provide for this principle of selection.

(b) *Suffrage*. FEC 031/19 provides that the Japanese Government be "based upon universal adult suffrage." It appears doubtful whether the draft constitution makes adequate provision in this respect. While Article XXXIX states that "both Houses shall consist of elected members, representative of all the people", it is a question whether this provision is sufficiently specific to fulfill the requirement of FEC 031/19. Furthermore, it might be pointed out that, though it is provided in Article XL of the draft constitution that in respect of the qualifications of electors for both Houses there should be no discrimination because of race, creed, sex, social status, or family origin, the door is apparently left open for discrimination on such grounds as age, education, property, or income.

(c) *Sovereignty*. FEC 031/19 provides that "the Japanese Constitution should recognize that sovereign power resides in the people." The Commission is considering whether the draft constitution fulfills this requirement and has been confronted with a number of opposing views. The draft constitution provides in the Preamble: "We, the Japanese people . . .<sup>50</sup> do proclaim the sovereignty of the people's will." Aside from the question as to whether this clause adequately

<sup>49</sup> July 2; printed as JCS directive serial 54, July 6, to SCAP in *Political Reorientation of Japan*, p. 661.

<sup>50</sup> Omission indicated in the original.

meets the provision of FEC 031/19, legal opinion has been presented to the Commission to the effect that a preamble is merely a declaratory and explanatory statement, the function of which is not to confer power and whose provisions are not a source of obligation. The United States Supreme Court has so held with respect to the Preamble of the United States Constitution. The legal position in Japan is more obscure, as it is impossible to draw a satisfactory conclusion on the basis of the Preamble of the Meiji Constitution because it has had the force of an Imperial edict.

Article I also contains a reference to sovereignty. It reads: "The Emperor shall be the symbol of the state and of the unity of the people, deriving his position from the sovereign will of the people." It is doubtful whether this article, which deals with the status of the Emperor, adequately fulfills the provisions in the basic principles regarding sovereignty.

To avoid all doubts on both points, it has been suggested that it should be clearly stated in the body of the constitution that "sovereign power resides in the people." The Commission would value the Supreme Commander's view.

3. The further question arises as to whether the draft constitution accords with the Potsdam Declaration.

(a) The draft constitution leaves several important matters to be enacted in subsequent laws, a situation which makes it difficult to determine the full implication of the articles concerned. Examples are the Imperial House Law (Articles II and V), the composition and methods of election of the two Houses (Chapter IV), and the joint committees of both Houses (Articles LVI, LVII, LXIII). The Commission realizes that many of these matters may properly be left for detailed determination by subsequent legislation. It queries, however, whether it would not better accord with the Potsdam Declaration to include in the constitution the basic provisions governing some of these matters, such as the composition of the House of Councilors.

(b) The Commission would raise the query whether Article LIV of the draft constitution should not set out clearly the grounds on which a member of the Diet may be expelled, in order to prevent this article from being used to exclude representatives of minority groups.

(c) In regard to Article LXIII, the Commission queries whether the selection of a Prime Minister should not be a matter for the House of Representatives alone, rather than for both Houses. This procedure would accord with practice in other democratic governments where the executive is responsible to the legislature, and would seem to follow naturally from Article LXV.



740.00119 Control (Japan)/7-2646: Telegram

*General of the Army Douglas MacArthur to the Secretary of State* <sup>51</sup>

CONFIDENTIAL

TOKYO, undated.

[Received July 26—8:52 p. m.]

C 63473. Appreciate sincerely your radio cirer July 24, 1 p. m.<sup>52</sup> and similar messages giving advance information. Such action is most helpful. The position taken by the American member on the FEC with reference to the authority of the Commission is entirely in accord with the views held and expressed here. For information and such use as you may desire, hereunder are my comments on the items enumerated for consultation:

(a) I believe the limitation that the Prime Minister and majority of Ministers of State must be selected from membership of the Diet is unwise as such requirement would deprive the Japanese Government of the services, in ministerial capacities, of many men of possibly higher qualification than might be found in the legislative body. It is an unusual and arbitrary restriction upon government which certainly is not to be found within our own governmental system, and I doubt if it can be found in any governmental system in the world. The existing requirement in the draft constitution that the Prime Minister must be designated by the Diet and approval of the Diet must be obtained to the appointment of all Ministers of State should satisfy every reasonable requirement of democratic process in such matter.

(b) While I feel that Articles 39 and 40 of the constitution adequately provide against the discrimination suggested, I shall endeavor to secure amendment to the draft constitution now before the Diet to specifically cover the points indicated.

(c) While I feel that the draft constitution, not only in the specific terms of the preamble but throughout, clearly demonstrates that the sovereign power resides in the people, in order to satisfy those who appear to be in doubt on this point, I shall endeavor to have the draft constitution further amended to place within its body the provision suggested.

Reference first query contained in last paragraph of your radio, it is my opinion that the implementing legislation referred to is not appropriate for inclusion in the constitution, as such detailed matters of government should remain susceptible to change as conditions require by normal legislative process rather than by extraordinary constitutional amendment. The laws designed to implement any constitution finally adopted, such as the Imperial Household Law, will, of course, be closely scrutinized by SCAP to determine that they conform both to the principles laid down at Potsdam and the constitution itself.

<sup>51</sup> Copy of telegram transmitted on July 29 by General Hildring to General McCoy.

<sup>52</sup> For text of communication from the Far Eastern Commission to SCAP, see annex printed *supra*.

It is believed, furthermore, that the specific grounds on which a Diet member may be expelled finds no appropriate place in the constitution. Under normal practice, a legislative body is left free to make rules governing the qualifications of its own members. The draft constitution provides that the expulsion of a member of the Diet may be effected only by a two-thirds vote of the members present. This provision would appear to provide reasonable safeguard against arbitrary action by a majority group, and there appears to be no inconsistency with democratic process such as would warrant Allied interference.

The last query as to whether selection of the Prime Minister should not be a matter for the House of Representatives alone is believed to be academic in view of the provisions of Article 63 of the draft constitution providing that where an irreconcilable difference of opinion exists between the two houses on selection, the decision of the House of Representatives shall be that of the Diet. There is some possibility that in the constitution finally adopted provision will be made for a unicameral legislature.

Throughout the queries of the members of the Far Eastern Commission there appears to be some indication of a tendency to attempt to obtain a perfection in constitutional government which we would not seem to be at liberty to insist upon in the implementation of the Potsdam requirement which is merely that a democratic state be established. In this connection, sight should not be lost of the fact that this entire constitutional process now under way is one by the Japanese Government and people, and that the underlying purpose of our intervention is to assert in that the steps taken lead toward desired democratization. To attempt to force perfection in detail, among several democratic alternatives against Japanese objectors, would vitiate our very aim and purpose to secure adoption of a constitution which expresses the free will of the Japanese people.<sup>53</sup>

[MACARTHUR]

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740.00119 Control (Japan)/8-146: Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

CONFIDENTIAL

Tokyo, August 1, 1946.

[Received August 6—2:30 p. m.]

351. Diplomatic Section has been issuing diplomatic identification cards on behalf of SCAP to members Foreign Diplomatic and Liaison Missions. Question now arises of issuance such cards to members Allied Council and their Staff.

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<sup>53</sup> For General MacArthur's further comment, see his telegram of August 2, p. 289.

We understand members Far Eastern Commission have been given diplomatic status and believe Allied Council members and appropriate staff personnel should be accorded similar treatment. We are in doubt, however, as to specific categories of subordinate personnel to be included and request Dept's instructions or comment. Problem is acute with regard to Soviet member Allied Council whose staff of approximately 500 largely military personnel equivalent in organization (although not ostensibly so) to Corps Headquarters with no actual duties in connection Allied Council. Furthermore, Soviet military personnel have manifested independent attitude toward necessary occupation regulations and controls, have made unauthorized visits to US airfields, and have been guilty traffic and other violations involving at least one hit-and-run death (in latter cases Soviet member Allied Council has refused identify culprits although we have reason to believe he is aware their identity).

As status Soviet staff personnel must be determined immediately, urgent reply by telegraph appreciated. To meet the situation here, our inclination is to restrict issuance of cards to the principal civilian members of staff having apparent connection with council work and to their civilian clerical assistants.<sup>54</sup>

ATCHESON

894.628/8-246 : Telegram

*The Acting Secretary of State to the Political Adviser in Japan  
(Atcheson)*

SECRET

WASHINGTON, August 2, 1946—6 p. m.

426. Des. 481 from PolAd July 1, 1946. Russians have raised FEC objection to extension Jap fishing and whaling areas. Informal minutes being transmitted airmail.<sup>55</sup> Following desired by FEC Subcommittee:

- (1) Will any additional catch fish be used for export?
- (2) To what extent could additional fish be substituted for foods now imported or which otherwise would have to be imported?
- (3) What is current annual fish consumption Japan in relation total caloric intake?

<sup>54</sup> In telegram 448, August 13, 1946, 7 p. m., to Tokyo, the Department replied to the effect that only such members of the Far Eastern Commission or the Allied Council for Japan as enjoyed diplomatic status separately would be accorded special privileges, exemptions, or immunities. However, to meet the situation in Japan the Department perceived no objection to issuance of diplomatic identification cards to principal civilian members and assistants on the respective staffs of members of the Allied Council. The Department also stated that the FEC "does not come within the purview Act of Congress entitled 'International Organizations Immunities Act'" (approved December 29, 1945: 59 Stat. 669). (740.00119 Control (Japan)/8-146)

<sup>55</sup> Instruction 215, August 5, not printed.



(4) Is there possibility increasing catch substantially in formerly authorized areas without using larger vessels? <sup>56</sup>

In addition, Dept wishes info and analysis current fisheries programs in terms current needs and objectives, particularly reference boat building program and extension fishing areas. Dept informed basis extension fishing areas and building program is domestic need fishery products.

Please confirm, indicating place of fish in total domestic food availability. Dept desires comment on basis decision build additional fishing vessels of types proposed in relation need other shipping and other use for materials. What if any significance need for employment and foreign exchange in relation fisheries program? Observations current status export program fisheries production will be helpful.

From Russian representative FEC and other sources appears Russia desires urgent expansion domestic fisheries program and acquisition fishing and whaling vessels. Is negotiating with American firms construction various types deep sea fishing and whaling vessels. Russian interest fishing operations elsewhere in Pacific also indicates possible Russian intention assume position re Pacific fisheries held pre-war by Japan.

ACHESON

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894.011/8-646 : Telegram

*The Acting Secretary of State to the Political Adviser in Japan  
(Acheson)*

CONFIDENTIAL

WASHINGTON, August 6, 1946—5 p. m.

430. CINCAFPAC C 63473 <sup>57</sup> "For Secretary of State" extremely valuable and useful both Dept and US delegation FEC. Substance immediately made available FEC.

FEC Committee on Constitution gratified that attempts secure amendment present draft would be made as indicated (B) and (C). The question was raised FEC meeting July 25 concerning method by which SCAP would inform appropriate officials Jap Govt of FEC policy decision on basic principles for Constitution. Chairman Pro Tem General Hilldring assured Commission SCAP would take such steps as he might deem appropriate and that informal inquiry would be made of SCAP to ascertain what action had been taken. We have

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<sup>56</sup> Replies to these questions were transmitted in a telegram of August 28, 1946, from Tokyo. They were negative as to 1 and 4; the importance of fish in the Japanese diet was emphasized as to 2. Question 3 was answered thus: "Current annual fish consumption forms approximately 4.8% of the total caloric intake and from 90% to 94% of the total animal protein in Japanese diet." (894.628/8-2846)

<sup>57</sup> *Ante*, p. 279.

assumed here that where appropriate SCAP has communicated FEC policy with respect Constitution in form of suggestions to appropriate Jap officials so that any necessary changes might be incorporated into draft before its final passage by Diet.

Further comments this matter would be helpful US delegation.<sup>58</sup>

War Dept advises no answer yet received tels W94644 and W94701.

ACHESON

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740.00119 Control (Japan)/7-3146

*Memorandum by the Assistant Secretary of State (Hilldring) to the United States Member of the Far Eastern Commission (McCoy)*

TOP SECRET

[WASHINGTON,] August 6, 1946.

In accordance with instructions of July 31, 1946, from the State-War-Navy Coordinating Committee<sup>59</sup> there is enclosed a statement of United States Policy regarding Publicity Aspects of Proposed Instructions by SCAP Authorizing Japanese Research in Technological Subjects, comprising the conclusions of SWNCC 52/20, which was approved informally by the State-War-Navy Coordinating Committee on July 31, 1946.

The United States Member, Far Eastern Commission, is requested to introduce the United States views on Publicity Aspects of Proposed Instructions by SCAP Authorizing Japanese Research in Technological Subjects into the Far Eastern Commission with a view to obtaining from the Commission a policy decision on the subject.

J. H. HILLDRING

[Annex]

*Draft Statement Approved July 31 by the State-War-Navy Coordinating Committee*

STATEMENT OF UNITED STATES POLICY REGARDING PUBLICITY ASPECTS  
OF PROPOSED INSTRUCTIONS BY SCAP AUTHORIZING JAPANESE RE-  
SEARCH IN TECHNOLOGICAL SUBJECTS

7. It is concluded that:

Basic research and academic instructions in Japan in the field of nuclear physics should be permitted subject to such surveillance as is

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<sup>58</sup> In a memorandum of August 22, 1946, the Department informed the Secretary General of the Far Eastern Commission that Mr. Acheson had "assured the Department that where appropriate SCAP has communicated Far Eastern Commission policy with respect to the Constitution in the form of suggestions to appropriate Japanese officials, so that any necessary changes might be incorporated into the draft before its final passage by the Diet." (894.011/8-1046)

<sup>59</sup> SWN-4637, not printed.

necessary to prevent adaptation of possible new discoveries to war purposes.

All research or development in Japan which has for its purpose the production of fissionable atomic species in more than minute quantities used for research purposes should be prohibited.

All research or development in Japan which has for its purpose the separation or concentration of fissionable species of atomic isotopes from the naturally occurring isotope mixture of a chemical element should be prohibited except when such isotope separation is in minute quantities to be used for research purposes only.

All research, development, or construction in Japan which has for its purpose the utilization of atomic nuclear energy for weapons of war or the operation of war industries, or the operation of power producing installations which might easily be converted to warlike purposes, should be prohibited.

The mining, processing and refining of radioactive materials in Japan for authorized uses should be permitted only in instances specifically approved by SCAP and should be under such surveillance as necessary to prevent stockpiling of such materials for war purposes.

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740.00119 Control (Japan)/8-1046: Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*<sup>60</sup>

SECRET

Moscow, August 10, 1946—4 p. m.

Received August 10—1:21 p. m.

3156. Depcir August 8, noon.<sup>61</sup> Independent attitude displayed by Soviet military in Japan seems to parallel behavior of Soviet military representatives in Italy last year. Dept will recall that when such behavior was brought to our attention we recommended in part that SACMED take local military administrative action including detention of any Soviet representatives who acted in unauthorized manner (Emb's 3771, November 5, 1945<sup>62</sup>).

Soviet Military authorities themselves strictly enforce security measures and cannot logically object if we do same. So far as our view has a bearing on issue we feel that SCAP would be justified in taking firm measures to keep Soviet officers in bounds.

DURBROW

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<sup>60</sup> Repeated by the Department as telegram 452, August 16, 1946, 8 p. m., to the Political Adviser in Japan.

<sup>61</sup> Not printed; it reported telegram 351, August 1, 1946, from Tokyo, p. 280.

<sup>62</sup> Not printed.



711.94/8-1046

*Memorandum by the First Secretary of Embassy in the Soviet Union  
(Davies)*<sup>63</sup>

SECRET

[Moscow,] August 10, 1946.

Subject: Comments of the Embassy at Moscow on the Policy and Information Statement concerning Japan, dated June 1, 1946<sup>64</sup>

It is felt that Section II, 4, dealing with Soviet relations with Japan should be approached on a more fundamental basis.

Current Soviet policy toward Japan springs from a sense of profound frustration. The defeat and occupation of Japan by the United States, far from removing in Soviet eyes the Japanese threat to the U.S.S.R., has only meant that the Soviet Far East now has on its doorstep a first-class rather than a second-class power. The U.S.S.R. may have felt during the past decade that it could effectively resist a Japanese attack. It is not likely to believe that the conversion of Japan into at least a temporary or potential American "place d'armes" represents an improvement in the defensive position of the Soviet Far East.

The U.S.S.R. can, of course, look forward to the withdrawal of American military forces from Japan. But given the Soviet self-induced belief that the United States is by its very nature committed to a course of imperialistic militarism and that the U.S.S.R. must inevitably come into armed conflict with the capitalist West, the Kremlin's suspicions of American intentions regarding Japan cannot be dispelled by any measures short of those which would assure the U.S.S.R. predominant influence in Japan.

Proceeding from this fundamental outlook, current Soviet policy toward Japan is designed to disrupt to the greatest possible degree the development of a healthy Japan oriented toward the United States. To this end the U.S.S.R. seeks to hamstring by all possible means the American program for the rehabilitation of Japan.

The U.S.S.R. is utilizing the Far Eastern Commission and the Allied Council of Japan as a sounding board for criticism of American policies in the hope that thereby it may discredit SCAP administration and provoke international and domestic American interference in an effort to disrupt that administration. Other international organizations, such as the WFTU, are likely to be exploited, so far as the U.S.S.R. is able, for the same purpose.

As a second course the Kremlin is undoubtedly seeking to use the Japanese Communist Party for the immediate purpose of creating confusion in Japan and opposition to the United States. In long range

<sup>63</sup> Copy transmitted to the Department by the Chargé in Moscow (Durbrow) in his letter of August 10, 1946; received August 19.

<sup>64</sup> Not printed.

terms, the Kremlin presumably hopes to develop and utilize the Japanese Communist Party and associated front organizations as a Trojan Horse in a bid for Soviet control over Japan.

While it is undoubtedly true that no evidence has come to hand showing direct connections between the Japanese Communist Party and the U.S.S.R., we must, in our own interest, assume that such connections do exist. To do otherwise would be ignoring past experience with all Communist Parties. While these parties may not get daily or periodical directives, the leaders of the parties are all cast from the same Moscow-inspired mold and undoubtedly receive basic directives from Kremlin sources.

In view of the exclusive philosophy of the U.S.S.R. in international affairs—a philosophy which dictates that he that is not with me is against me—it is worse than idle, it is a delusion, to assume that Japan can be reconstructed as a neutral, self-sufficient nation, enjoying friendly relations with both the United States and Soviet Union. The American and Soviet frontiers meet in the Japan Sea. At present we occupy Japan. If we withdraw from Japan without having assured ourselves of a favored position there, Japan may in all probability sooner or later be captured by the Soviet Union. The tables will have been turned and we shall be confronted with Japan as a “place d’armes” of the only other first-class power.

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740.00119 Control(Japan)/8-1246: Telegram

*The Political Adviser in Japan (Acheson) to the Secretary of State*

RESTRICTED

TOKYO, August 12, 1946.

[Received August 13—2:55 p. m.]

364. I shall expect to make comment at special procedural meeting Allied Council, Tuesday morning, August 13 as follows:<sup>65</sup>

“This is a special meeting called for the purpose of reviewing the procedural organization of the council with a view to determination of what procedures, to be observed by all members, may be expected to facilitate and regularize the council’s work, to place the council on a businesslike basis and in general to improve the work of the council.

“Before we enter into discussion of details, I wish to offer comment in regard to what in my mind is the fundamental question before us. It is a question which long has given me concern both as United States member and as chairman having responsibility for the conduct of meetings. It is the broad question of the council’s possible contribution to the furtherance of the occupation in cooperation with the Supreme Commander.

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<sup>65</sup> Released to the press in Washington, August 14.

"I am sure that the other members would wish me to offer some concrete solution of the fundamental question which I have mentioned. I propose to offer what I feel to be such a solution along broad and far-reaching lines.

"There are perhaps a number of reasons for the state of affairs which has arisen in the council. I have neither intention nor desire to engage in a survey of the council's past activities or to undertake a general probing in the various aspects of this situation. On one important aspect, however, I think I may freely touch.

"Observers of our proceedings have had the impression, rightly or wrongly, that there is resentment in the council that the United States, by dictate or circumstance, has taken a predominant role in the occupation. There should be a way to overcome this obstacle to a smoother and more effective working of the council and the proposal which I shall submit to you in due course has that end specifically in view.

"But I must say at this juncture that I do not know why any such feeling should exist.

"Militarily it fell to the United States, through no desire of its own, to take leadership in the great sacrifice of lives and matériel and in the heartbreaking effort necessary to encompass the defeat of Japan through the long years and over the vast spaces between Pearl Harbor and Atsugi.<sup>66</sup> It fell to United States Forces under General MacArthur to venture the historic landing into the armed camp that was Japan in late August and early September 1945. It fell to the United States to maintain the occupation for many months alone.

"In the field of political matters it fell to the United States to formulate and put into effect the initial Post Surrender Policies for the occupation. Some time before the surrender, the United States invited the other Allies to join in establishing a Far Eastern Advisory Commission, but the response was such that the commission was not set up until several months after the surrender. Meanwhile, the United States had no recourse but to carry forward the task and lay down necessary policies to achieve Allied objectives as set forth in the Potsdam Declaration. The Allies subsequently gave approval to United States policies and the actions thus taken. The Far Eastern Commission has been functioning since February and is formulating Allied policy decisions. What General MacArthur is engaged upon, therefore, is the momentous enterprise of moulding into history the concrete results of agreed upon Allied policies.

"The occupation authorities already have Jap cooperation. More and more as time goes on, the Japs have come to realize with increasing force and clarity that our ultimate aims are in the best interests of the Japs as well as in the interests of the world at large.

"If we accept that the agreed upon policies of the Allied govts continue to be in fact the policies of those govts, it is incontrovertible

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<sup>66</sup> From the Japanese attack, December 7, 1941, to the landing of U.S. forces at Atsugi Airport, near Yokohama, late in August, 1945, prior to the signing of the surrender instrument on September 2, 1945, aboard the U.S.S. *Missouri* in Tokyo Bay.



that all the Allies seek in fact the goals which they have announced as common and if this is the case, it follows that the Allied representatives on this council must wish to see the occupation continue a success. It follows that the occupational authorities may rightly expect the wholehearted collaboration of all Allied representatives. It follows that the Allied representatives sitting here will give the Supreme Commander for the Allied Powers ungrudging cooperation in the great task to which he is committed on behalf of their govts as well as on behalf of his govt and mine. I hope that this will come to be considered a fundamental principle, and that in placing subjects on the agenda, and in presenting and discussing agenda subjects, the members will make that principle the basis of future proceedings in the council.

"There is a long step which we can take toward facilitating and enhancing Allied cooperation at this table by broadening the forum of discussion so that all available Allied resources in knowledge and experience can be utilized to practical advantage and all directly concerned Allies, contribute on the spot to the furtherance of Allied objectives. General MacArthur and I propose that the council invite representatives of those eleven Allied powers which waged the Pacific War and which now have missions in Tokyo to sit here with us, informally and unofficially, and contribute their views. We would be glad to see our friend the British Ambassador<sup>67</sup> sitting at this table. We would be glad to see our friend General Pechkoff, the French Ambassador,<sup>68</sup> at the council table. We would be glad to have our friend General Schilling, head of the Netherlands Military Mission,<sup>69</sup> here with us. We would be glad if a representative of the Philippine Govt were to join in our discussions. We would be happy to have all Allied representatives concerned make a valued contribution to our work and to the furtherance of occupation objectives.

"There are, as you know, eleven nations represented on the Far Eastern Commission, which is now the Allied agency for the formulation of policies, principles and standards in regard to occupational matters within the commission's jurisdiction. It would be helpful to the Supreme Commander to have the advice and counsel of individual representatives of all those eleven nations. General MacArthur desires and seeks constructive advice and counsel from any and every source to assist him in his discharge of the tremendous responsibilities which rest upon his shoulders. That he seeks and welcomes the advice and counsel of all is, in my opinion, a reflection of the great wisdom, profound insight, and far seeing statesmanship with which he has handled the occupation.

"Revision of the terms of reference of the council is not proposed and is not in our hands. But we can, nevertheless, invite the Chief Allied representatives in Tokyo to join with us at the council table, informally and unofficially, in the discussion of substantive matters, other than procedural, which may properly be brought before the

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<sup>67</sup> A. D. F. Gascoigne.

<sup>68</sup> Gen. Zinovi Pechkoff, former French Ambassador in China, head of the French liaison mission to SCAP.

<sup>69</sup> Lt Gen. Willem Schilling, Netherlands Indies Army, head of Netherlands military mission to Japan.

council. By so doing, I submit, we will unquestionably increase the effectiveness of the council in assisting the Supreme Commander, and will bring the council to the forefront of the field, so vital today to all the world, of international good will and cooperation.”<sup>70</sup>

ATCHESON

S94.011/8-646

*Memorandum by the Assistant Secretary of State (Hilldring) to the  
Chairman of the Far Eastern Commission (McCoy)*

[WASHINGTON,] August 12, 1946.

On July 30, 1946 the Chairman of the Far Eastern Commission sent a consultative message to the Supreme Commander for the Allied Powers regarding points raised by members of the Far Eastern Commission in their preliminary study of the draft of the new Japanese Constitution. The Supreme Commander for the Allied Powers on July 26, 1946 made certain comments on the subject<sup>71</sup> which were communicated to the Chairman of the Far Eastern Commission on July 29, 1946. There is enclosed a message dated August 2, 1946<sup>72</sup> from the Supreme Commander for the Allied Powers which further discusses the points raised in the Chairman's consultative message.

It is requested that the Chairman of the Far Eastern Commission make this message available to the members of the Far Eastern Commission.

J. H. HILLDRING

[Annex]

*Telegram From General of the Army Douglas MacArthur*

[TOKYO,] 2 August 1946 [—12:29 p. m.]

The following comments are made with respect to the points raised by members of the Far Eastern Commission:

(2A) It was considered here that the existing requirement in the draft constitution that the Prime Minister must be designated by the Diet and approval of the Diet must be obtained to the appointment of all Ministers of State satisfied the underlying intent of Far Eastern

<sup>70</sup> On August 20, 1946, Mr. Acheson cabled his proposed statement giving reasons why General MacArthur and he had made their proposal; the new statement would be made on August 21 at the meeting of the Allied Council. Mr. Acheson concluded that “General MacArthur and I would hope most earnestly to see this Council become an effective agency for full allied cooperation. We can think of no more effective way to accomplish this than to invite the distinguished representatives of the other allies in Tokyo to join freely and informally in our discussions.” (740.00119 Control (Japan)/8-2046)

<sup>71</sup> Telegram C 63473, p. 279.

<sup>72</sup> Telegram Z 11571, August 2, 12:29 p. m., *infra*.



Commission policy in point. Should this not be so regarded by the Far Eastern Commission, I strongly urge the amendment of its policy. A rigid requirement that the Prime Minister and majority of Ministers of State must be selected from membership of the Diet would be unwise, as such requirement would deprive the Japanese Government of the services, in ministerial capacities, of many men of possibly higher qualification than might be found in the legislative body. It would tend to limit democratic process rather than advance it. It is an unusual and arbitrary restriction upon government which I doubt can be found in any governmental system in the world. The existing requirement in the draft constitution that the Prime Minister must be designated by the Diet and approval of the Diet must be obtained to the appointment of all Ministers of State should satisfy every reasonable requirement of democratic process in such matter.

(2B) While I have felt that articles 39 and 40 of the draft constitution provide adequate safeguard against improper electoral discrimination, I understand that the specific prohibition against discrimination in article 40 is being extended by the Japanese themselves to embrace education, property and income. I do not feel that the specific inclusion of "age" would be wise or warranted. The age at which persons reach mature political thought is for the people themselves to determine through the normal evolution of law, just as is the age at which a person might be termed "adult". In the case of the Japanese people, the present electoral law provides 19 as the minimum qualifying age, but whether this be fixed as at present or at 25 as formerly would apply to all classes of the people and hence there is no "discrimination" within the ordinarily accepted use of the term. On the other hand, if such a provision were incorporated in the constitution, confusion inevitably would result in determining the electoral age necessary to satisfy the same.

(2C) In the course of the unrestrained debate on the proposed constitution now proceeding in the National Diet, considerable argument has been advanced supporting the provision that a . . .<sup>78</sup> of the sovereign position should be made in the body of the constitution itself, although it is generally acknowledged by best legal opinion that in Japan the provisions of the preamble would be as mandatory upon the people as would be the articles that follow. It is my understanding that, to settle this controversial point, it is probable that the Japanese will amend the draft constitution in order that it specifically reaffirms in one of the articles thereof that the sovereign

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<sup>78</sup> Omission indicated in the original.



power resides in the people. Reference questions raised your paragraph 3:

(a) I am of the opinion that the implementing legislation referred to should not be included in the constitution, as such detailed matters of government might better remain susceptible to change, as conditions require, by normal legislative process rather than be handicapped by the necessity for extraordinary constitutional amendment. The laws designed to implement any constitution finally adopted, such as the Imperial Household Law, will of course be closely scrutinized by SCAP to determine that they are not inconsistent with any principle laid down at Potsdam nor with the constitution itself;

(b) I am of the opinion that the specific grounds on which a Diet member may be expelled finds no appropriate place in the constitution. Under normal practice, a legislative body is left free to make rules governing the qualifications of its own members. The draft constitution provides that the expulsion of a member of the Diet may be effected only by a  $\frac{2}{3}$  vote of its members present, and such provision would appear to provide reasonable safeguard against arbitrary action by majority groups;

(c) Question concerning the selection of the Prime Minister is believed to be academic in the view of the provisions of article 63 of the draft constitution providing that where an irreconcilable difference of opinion exists between the two Houses on such selection, the decision of the House of Representatives shall be that of the Diet. In this connection there is some possibility that in the constitution finally adopted provision will be made for a unicameral legislature.

Throughout the queries of the members of the Far Eastern Commission, there appears to be some indication of a tendency to attempt to obtain a perfection in constitutional government which we would not seem to be at liberty to insist upon in implementation of the Potsdam requirement for the establishment of a democratic state. In this connection, sight should not be lost of the fact that the entire constitutional amendment process now under way is one by the Japanese Government and people, and that the sole justification for our intervention is to ascertain that the steps taken lead toward desired democratization. I am sure that the Far Eastern Commission is equally cognizant with me of the sensitive and delicate position which the Allied Powers occupy in the effort to secure for Japan a democratic constitution which will be fact worth more than a mere scrap of paper. For this reason it is essential to avoid the slightest unnecessary display or show of force underlying our effort, or the insistence upon perfection in detail among several democratic alternatives against Japanese objections. Such action on our part would vitiate our very aim and purpose to secure adoption of a constitution which not only expresses the free will of the Japanese people but which will command their allegiance long after the withdrawal of Allied Forces.

894.011/8-1346

*Memorandum by the State Department Member of the State-War-Navy Coordinating Committee (Hilldring) to the Committee*

[WASHINGTON,] August 13, 1946.

Subject: Consultation by the Far Eastern Commission with SCAP on the Text of the Constitution

It is requested that the Committee consider, as a matter of urgency, the enclosed draft paper on the above subject.

J. H. HILLDRING

[Annex]

*Draft Paper for the State-War-Navy Coordinating Committee*

CONSULTATION BY THE FAR EASTERN COMMISSION WITH THE  
SUPREME COMMANDER FOR THE ALLIED POWERS ON THE TEXT OF THE  
CONSTITUTION

THE PROBLEM

1. The problem is to determine the policy of the United States with respect to General MacArthur's request that the Far Eastern Commission amend its policy requiring that the Prime Minister and a majority of Cabinet members belong to the Diet.

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

CONCLUSIONS

3. It is concluded that:

a. The United States member of the Far Eastern Commission should request the Commission to amend its policy in reference to qualifications for Cabinet members.

b. If the Commission votes formally to refuse to reconsider its policy, the United States member should refrain from voting and should not veto the motion.

c. If a formal statement is presented to the Commission to the effect that the Commission adheres to its previous policy decision that the Constitution should contain a provision requiring the Prime Minister and a majority of the Cabinet to be members of the Diet, the United States member of the Far Eastern Commission should agree to such a statement.

RECOMMENDATIONS

4. It is recommended that, after their approval by the State-War-Navy Coordinating Committee, the State Department transmit the

conclusions in paragraph 3 to the United States member of the Far Eastern Commission for his guidance.

[Subannex]

#### APPENDIX "A"

##### FACTS BEARING ON THE PROBLEM

[Here follow excerpts from correspondence between the Far Eastern Commission and General MacArthur in regard to a policy statement on the new Japanese constitution, already printed.]

5. At its 27th meeting on August 8, 1946, Committee No. 3: Constitutional and Legal Reform, the United States member brought General MacArthur's request <sup>74</sup> to the attention of the Committee but the Committee refused to reconsider this point and approved, with the United States member reserving his position, the following statement for inclusion in a consultative message (SC-012/15):

"(a) *Cabinet*. In reference to the policy decision of the Commission that "the prime minister and ministers of state, all of whom shall be civilians and of whom a majority, including the prime minister, shall be selected from the Diet, shall form a Cabinet collectively responsible to the legislature" (FEC-031/19), the Commission desired to strengthen the dependence of the executive upon the Diet and to ensure that the executive would not be composed entirely of persons without direct obligations to the electors.

"The Commission has considered this point very carefully, and during the course of its discussions took note of the fact that most countries, where parliamentary systems are in operation similar to that envisaged for Japan, have adopted either in practice or in their Constitutions the principle that all of the ministers of state should be members of the legislature.

"The following is a brief summary of the principal reasons why the Commission inserted in it the provision referred to:

"(i) In the parliamentary system of government the direct responsibility of the Cabinet to the legislature is fundamental. This is best secured if the ministers of state are members of the legislature.

"(ii) It is essential to provide, within the limits of possible action under the Potsdam Declaration and other controlling documents, safeguards against the regaining of power by bureaucrats and reactionary elements. This situation would be much less likely to occur if a majority of the cabinet ministers were themselves answerable to their electors.

"(iii) Furthermore, in the particular case of Japan, where the Diet has been traditionally subordinate to the executive, it is

<sup>74</sup> See telegram of August 2, p. 289.



essential to provide a framework which enhances the influence of the Diet and ensures its control over the executive.

"Some members of the Commission were strongly of the opinion that all cabinet ministers should be members of the Diet, but the Commission realized the particular relevance to Japan of the point made by the Supreme Commander, namely, that such a limitation 'would deprive the Japanese Government of the services, in ministerial capacities, of many men of possibly higher qualifications than might be found in the legislative body.' Hence the Commission decided as a matter of policy that only a majority of the ministers of state need be members of the Diet and considers that this requirement gives sufficient freedom of choice and at the same time enhances the essentially democratic structure of the Constitution. In view of the fact that Japan has not followed this practice in the past, it is impossible to rely upon established procedure to ensure that it will be followed in the future, and the Commission adheres to its previous policy decision that the Constitution should contain a provision on this point."

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740.00119 Control (Japan)/8-1946

*The British Embassy to the Department of State*<sup>75</sup>

His Majesty's Government have studied the proposal made by the Chairman of the Allied Council for Japan on 13th August that the Council should invite representatives of the eleven Allied powers which now have missions in Tokyo to sit with the Council, informally and unofficially, and contribute their views. They note that the matter is tabled for discussion by the Council on 21st August and they accordingly wish to inform the United States Government of their reasons for considering the proposal as unacceptable. These are as follows:—

(1) Participation in the discussions of the Council, even on an informal and unofficial basis, by representatives of nations other than those specified in paragraph 2 of the Moscow Agreement establishing the Council (the United States of America, The U.S.S.R., China and a member representing jointly the United Kingdom, Australia, New Zealand and India) would appear to be clearly contrary to the provisions of that agreement. This agreement provides for the establishment of a consultative and advisory body with membership limited as above and no provision is made for the participation, informal or otherwise, of the representatives of other powers; although the four named members are entitled to have staffs of military and civilian advisers.

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<sup>75</sup> Handed by Mr. Graves, Counselor of the British Embassy, to Mr. Vincent, Director of the Office of Far Eastern Affairs.

It would appear therefore that the Chairman of the Council would be acting *ultra vires* in inviting the attendance in consultation, even on an informal basis, of Allied representatives other than the four members provided for by the terms of the agreement and their military and civilian advisers.

(2) An extension of representatives on the Council, even on the informal basis proposed, would tend to confuse the nature of the authority of the Far Eastern Commission, on which all eleven nations are represented, and which must remain the official organ, as approved by the Moscow agreement, for the formulation of Allied occupation policy and the review of action taken in accordance with that policy.

(3) Informal participants in Council discussions could have no authority to reflect the views of their Governments, for which latter purpose the Far Eastern Commission has been created. As regards informal assistance, by discussion and consultation, towards the solution of the many problems confronting the Allied occupation authorities on the spot, there have been set up in Tokyo missions representing most of the interested powers whose officers are surely available for cooperation of this nature outside the Allied Council chamber.

(4) So far as the representation of the British Commonwealth on the Allied Council is concerned, it is felt that, in accordance with the Moscow agreement, the Commonwealth should continue to be represented by one man. The Commonwealth representative has attached to him advisers representing the United Kingdom, Australia, India and New Zealand who provide the necessary liaison between him and the missions representing those countries in Tokyo. He is therefore supported, in advice to, or consultation with, the Supreme Commander, by the resources in knowledge and experience of these missions. It is felt that it would detract seriously from his position as the recognised representative of the British Commonwealth on the Council if the heads of these missions were also sitting at the Council table, even in an "informal" capacity.

(5) It is considered that the addition of seven further participants in discussion would complicate procedure and thus hamper the efficiency of the Council as advisory and consultative machinery.

(6) The Supreme Commander's desire to avail himself of all Allied resources in knowledge and experience in the discharge of the onerous responsibilities which he is shouldering and for the furtherance of Allied objectives is appreciated and welcomed by His Majesty's Government in the United Kingdom who are most anxious to respond by assisting the Supreme Commander in every way. For this purpose, they have established a Liaison Mission in Tokyo, which is in close

and friendly relationship with General MacArthur's Headquarters and through which it is hoped and expected that the Supreme Commander will feel free to draw upon for all resources of knowledge or of personnel that the Government which it represents can contribute. General MacArthur also has access through the military and diplomatic establishments of His Majesty's Government, to the full cooperation in every respect of the other countries of the Commonwealth who are united in their desire to support him. It is hoped therefore that he will not feel that His Majesty's Governments are lacking in the desire, or in the ability, to assist him in his task for the reason that, as stated above, the present proposal is unacceptable.<sup>76</sup>

[WASHINGTON,] 19 August, 1946.

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740.00119 Control (Japan)/8-1546

*Memorandum by the State Department Member of the State-War-Navy Coordinating Committee (Hilldring) to the Committee*

CONFIDENTIAL

[WASHINGTON, August 20, 1946.]

Subject: Directive Regarding Exercise of Criminal and Civil Jurisdiction over Nationals of Members of the United Nations.

There is enclosed a draft directive prepared on the basis of a policy decision unanimously approved at the 23rd meeting of the Far Eastern Commission on August 15, 1946,<sup>77</sup> under the provisions of paragraph II, A, 1, of its terms of reference. It will be noted that the policy decision is quoted verbatim in the enclosed draft directive.

It is requested that the enclosed directive be forwarded to the Joint Chiefs of Staff for transmission to the Supreme Commander for his guidance in accordance with paragraph III, 1, of the terms of reference of the Commission. It is assumed that if the Joint Chiefs of Staff feel that the draft directive does not satisfactorily express the policy decision of the Far Eastern Commission they will refer the matter to the State Department for clarification before transmitting a directive on the subject.

The Secretary General of the Far Eastern Commission has requested that the Joint Chiefs of Staff, in transmitting the enclosed draft directive to SCAP, inform him that the Far Eastern Commission agreed to release the policy decision on which the enclosed directive is based to the press, but agreed to withhold such release until the directive had reached the Supreme Commander.

J. H. HILLDRING

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<sup>76</sup> In a separate statement handed to Mr. Vincent by Mr. Graves, the latter asked if Mr. George Atcheson in Tokyo could not be asked to say at the next meeting of the Allied Council that, having found his proposal to be not generally acceptable, he was withdrawing it (740.00119 Control (Japan)/8-1946).

<sup>77</sup> FEC 038.



## [Annex]

*Draft Directive for General of the Army Douglas MacArthur Regarding Exercise of Criminal and Civil Jurisdiction Over Nationals of Members of the United Nations*

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 15 August 1946 under the provisions of Paragraph II, A, 1, of its terms of reference, has been received from the State, War, and Navy Departments for transmission to you for your guidance in accordance with Paragraph III, 1, of those terms of reference:

"1. The Supreme Commander for the Allied Powers should provide that no criminal jurisdiction of any sort will be exercised by the Japanese courts with respect to nationals of Members of the United Nations, but that such criminal jurisdiction will be exercised by military courts of Members of the United Nations as follows:

"a. In the case of military, naval or air force personnel and persons attached to or accompanying the armed forces, by courts of the nation of the forces of which they are a part. A national of a Member of the United Nations who is present in Japan on official business and for the purpose of performing functions in the interest of the occupation is to be regarded as 'attached to or accompanying the Armed Forces.'

"b. In the case of a national of one of the occupying powers, by a military court of his nationality; and

"c. In the case of other nationals of Members of the United Nations, by the Allied military court having jurisdiction in the particular territory. Such courts should be composed of three members appointed by the Supreme Commander for the Allied Powers, one of whom should be a representative of that nation whose national is held for trial, provided that if, in the judgment of the Supreme Commander, selection of such a representative would obstruct or unnecessarily delay the proceedings because of the non-availability of qualified personnel, then a representative of some other nation may be designated.

"2. The authority of the Japanese to take into custody any national of a Member of the United Nations should be strictly limited:

"a. To those areas of Japan not actually in Allied military occupation, and

"b. In such areas, only to those cases in which there is reasonable evidence that a serious offense has been committed. The Japanese authorities should be placed under specific orders to hand over such a person forthwith to the nearest Allied military authorities.

"3. Provision should be made that no civil jurisdiction of any sort will be exercised by the Japanese courts with respect to nationals of Members of the United Nations attached to or accompanying the

armed forces. Civil jurisdiction in these cases should be exercised in a manner determined by the Supreme Commander.

"4. Decisions in all civil cases affecting other nationals of Members of the United Nations or in which such nationals are or may become parties, should be reviewed by the Supreme Commander or his representative, who may revise the decision or take such other action as may be considered necessary for the protection of their rights.

"5. The Supreme Commander should take such steps as he deems necessary, including suspension of proceedings, to ensure that in the conduct of such civil cases the rights of nationals of Members of the United Nations parties thereto are adequately protected.

"6. It is recognized that the available United States legal officers will be barely sufficient to deal with such cases as involve United States nationals. The Supreme Commander may therefore advise the responsible commanders of other Allied forces that assistance in such cases as involve their nationals must be supplied by them.

"7. The term, 'nationals of Members of the United Nations', as used in this document includes, wherever applicable, organizations and corporations of Members of the United Nations as well as persons."

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740.00119 Control (Japan)/8-2046

*Mr. Ernest A. Gross, Special Assistant to the Assistant Secretary of State (Hilldring), to the Secretary General of the Far Eastern Commission (Johnson)*

WASHINGTON, August 20, 1946.

MY DEAR MR. JOHNSON. It is requested that you inform the Far Eastern Commission of arrangements now approved by the Supreme Commander for the Allied Powers with regard to the appointment of Trade Representatives in Tokyo to represent the trading interests of the countries concerned. This has been a matter of considerable informal discussion with the Far Eastern Commission Members and it now seems desirable that the outcome of such discussions be communicated formally to the Far Eastern Commission. The pertinent material is as follows.

The Supreme Commander for the Allied Powers has agreed that members of the Far Eastern Commission and other countries having substantial trading interests with Japan may appoint Trade Representatives in Tokyo to have general responsibility for conducting trade between Japan and the areas they represent. The functions of such Trade Representatives are to be as follows:

1. To know what items are desired by their governments for import from Japan and for export to Japan.

2. To keep Supreme Commander for the Allied Powers currently informed as to progress of import and export programs, and items requested or suggested by their governments.

3. To accept for their government terms of sale, with Japanese selling agencies, agreed to by Supreme Commander for the Allied Powers.

4. To accept delivery of Japanese exports F.O.B. Japanese port, and to handle details of ocean shipping and insurance just as U. S. Commercial Company does in case of exports to United States.

5. To deliver to Supreme Commander for Allied Powers all documents from their governments covering imports, and to facilitate such importation and delivery.

6. To supply Supreme Commander for Allied Powers with all financial data such as costs, sale prices, and claims, and any necessary documents affecting imports from and exports to their governments.

7. To maintain an operating relationship with military or diplomatic liaison missions which their governments have established in Japan, in order to coordinate action and take care of routine matters such as communications.

Trade Representatives are to be attached to the Allied missions in Tokyo or will be separately accredited to the Supreme Commander for the Allied Powers. They will have the right of confidential communications to and from their governments, provided however that all contracts or communications between the Trade Representatives and the Japanese Government or agencies are limited to those authorized by the Supreme Commander.

The appointment of the Trade Representative should be taken up with the Supreme Commander by the head of each country's liaison mission in Tokyo. If the government concerned has no such liaison mission it should request the Department of State to take up the accrediting of a Trade Representative in Tokyo with the Supreme Commander.

Sincerely yours,

E. A. GROSS

740.00119 Control (Japan)/8-2046

*The Political Adviser in Japan (Acheson) to the Secretary of State*

RESTRICTED

No. 560

Tokyo, August 20, 1946.

[Received September 3.]

SIR: I have the honor to refer to this Mission's despatch 535, August 5, 1946,<sup>78</sup> and to previous correspondence in regard to meetings of the Allied Council for Japan, and to forward as an accompaniment <sup>78</sup> five copies each of the Agenda and Verbatim Minutes of the

<sup>78</sup> Not printed.



Eleventh Meeting of the Council held on August 7, 1946. As the Soviet Member did not concur in the revised Summary of Proceedings none was issued.

Under Official Matters, there was only one subject for discussion; namely, "The Results of the Realization of the Directive of the Supreme Commander for the Allied Powers, dated 4 January 1946, on: 'Removal and Exclusion of Undesirable Personnel from Public Office' " which had been proposed by the Member for the USSR. I had had a detailed survey made of the results achieved in carrying out this directive and informed the Council Members as to the numbers of persons purged in the various Government agencies and positions by the Japanese Government, broken down by categories, from the Privy Council down through presidents, deans and principals of universities, colleges, and other schools. My remarks appear on page 3 *et seq.*, of the verbatim minutes. In all, approximately 186,000 individuals have been purged.

The British Commonwealth Member inquired as to the suitability of entrusting the Japanese Government with carrying out the purge directive. I replied, in explaining the customary and successful policy of using the Japanese Government to every extent practicable, that: "I thought that in the light of the circumstances, it had done a good job."

The Member for the USSR asked when the review of the Japanese Government's action on the above-mentioned directive was to be completed. After some discussion, I stated that "the process of checking was a continuous one; a process without end; watchfulness and surveillance in regard to new officials appointed, old officials replaced, and new persons elected to office, as a process of checking, would continue until the end of the Occupation."

As there was no other item on the Agenda, I then proposed adjournment. At this juncture, the Soviet Member announced that he wished to make a statement on the "Commission of the Investigation of the Causes which Led Japan into War and to Defeat." This proposal was not on the Agenda and the Member for the USSR was out of order but as he was supported by the British Commonwealth Member and the Chinese Member I stated that, of course, I was willing to hear what he had to say. The Soviet Member then read a statement on the subject which appears on page 12 *et seq.*, of the verbatim minutes.

The Soviet Member then raised two other topics which were not on the Agenda.

As one of the fundamental rules of procedure had been broken by one Member who was supported in his action by two other Members, I felt it desirable that the Council's procedural process should be

reviewed and therefore called a special meeting of the Council for Tuesday, August 13, to discuss procedural matters.

Respectfully yours,

GEORGE ATCHESON, JR.

711.94/8-2046

*The Ambassador in China (Stuart) to the Secretary of State*

SECRET

NANKING, August 20, 1946.

No. 57

[Received October 2.]

SIR: I have the honor to refer to the Acting Secretary's secret instruction of June 17, 1946,<sup>79</sup> addressed to the then Chargé d'Affaires, which enclosed a policy statement regarding Japan, and requested comments and recommendations. I am glad to comply with this request, and I venture to do so freely and frankly.

On page five of the policy statement there is mention of the new draft constitution. Certainly, one of the major steps in the creation of a new order in Japan is the establishment of a constitution fully expressive of the political aspirations and democratic beliefs of the people. Such a law will serve, as our own Constitution has served, as a stable and permanent foundation for the national polity. But by the same token, to embody in such a law, for whatever reason, a principle which is alien to national traditions, repugnant to common sentiment and in the long run unenforceable, would be a grave error. In course of time any such principle is certain to be repudiated and the law expressing that principle is certain to be discredited.

I cannot but feel that Chapter 2, containing Article IX, in which war is renounced forever as a sovereign right of the Japanese nation and the maintenance of land, sea and air forces is denied, is a principle such as I have described above. Even we, who have traditional distaste for things military, are not prepared to subscribe to so revolutionary a principle as a general renunciation of even the means of self-protection. How then can we expect the Japanese people who, like no other people on earth, are steeped in the military tradition and impregnated in their innermost fiber with the spirit of discipline, responsibility and subservience to authority which is a part of that tradition, to adhere to so alien a principle?

... There is nowhere any mention of one fundamental consideration in our policy toward Japan which, I think, must be present in the mind of anyone engaged in Far Eastern affairs. It is what must we do to fill the vacuum in the Far East which has resulted from the elimination of Japan as the dominant power in that region.

<sup>79</sup> Not printed.

Let us admit at once that this question leads us into the field of *Realpolitik*, which we in this postwar world had hoped to abandon in favor of a system of mutual cooperation. However, in view of the disappointing results of our efforts toward cooperation with the U.S.S.R. and in the light of the clearly manifested determination of that Government to impose its system and its will on countries juxtaposed to Soviet territory, we would be remiss if we failed to take into realistic account the effects of the Soviet policy on a region which we have traditionally regarded as important to the United States. We would be equally remiss if we failed to consider the measures necessary to maintain our traditional position in that region.

Whatever China's role may be in future years, at the present time the prevailing disorganization renders the country a potential and dangerous storm-center for rival ideologies and influences. Simultaneously with Japan's elimination as a power, the USSR has re-emerged as a major element in the Far Eastern scene. Not yet have the Soviets taken steps in extending their imperium in the Far East comparable with those we have witnessed in the Baltic States, in the Balkans, in the Mediterranean, in Iran and in Turkey. But we should be prepared for such overt moves in the not unlikely event of a general conflict among Chinese factions, offering, as it will, ample opportunity for the Russians to fish in troubled waters. The Soviets have already shown their hand in Manchuria. At one stroke they seized and removed the greatest industrial potential on the Asiatic continent, thereby dealing a set-back of at least a decade to Chinese heavy industry. At the same time, Soviet machinations facilitated the taking over by the Chinese Communists of one of the richest parts of China, strategically located with respect to Soviet territories. It is inconceivable that the Soviets do not intend to use for further maneuvers in the Far East the position they have acquired in the Manchurian provinces of China, as a result of the Yalta Agreement which at one fell swoop limited Chinese sovereignty in Manchuria and restored to Russia almost all of her pre-1905 rights and interests. If it is true as stated\* that "China without Manchuria would be no effective counterpart to maintain the balance of power in the Far East", then by according Russia at Yalta the means of *de jure* intervention in Manchuria, China's opportunity to fill the vacuum created by the thunderous crash of Japan was more apparent than real.

... Fortunately, as far as we can now judge, the war has left a remarkably small aftermath of animosity toward the United States

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\* (P 13. Par. 4(b)) State-War-Navy Coordinating Committee paper No. 291/1, dated June 1, 1946, prepared by the Subcommittee for the Far East on the subject "Security Implications in Manchurian Situation." [Footnote in the original]



among the Japanese; much less so, we may believe, than there is in the United States toward the Japanese. Their traditional admiration for American achievements has not been diminished by the beating they have received at our hands. Furthermore, what resentment they may bear toward us is far overshadowed by hatred of the Russians, a feeling accentuated by antipathy to the communist system. Japan can be counted on to align herself against Communism in any clash of ideologies in the Far East.

Obviously it behooves us to make the best use in the Far Eastern situation of this potent asset now completely in our hands: how to align Japanese interests with ours; how to offset Russian imperialism and how to compensate for Chinese ineptitude. All of this must, of course, be balanced against the possibility of a resurgence in Japanese militarism equally dangerous to us and to other countries of the Far East.

I have no doubt that these considerations have received the closest study in responsible quarters of our Government. Certainly our armed forces in Asia, only too openly, talk of Japan as our future bulwark in the Far East against Russia. It would be worse than wrong to take steps at this time aimed at building up Japan as a base for strategic operations. To do so would, among other things, certainly bring about countermoves by other powers.

But we have other recourse. In so far as the democratic principles that we advocate take root in Japan, just so far will our own national interests be advanced. The wise administration and policies of General MacArthur have contributed immeasurably toward the objectives we have in mind. American industrial equipment, American techniques, training and education supplied to the Japanese will have far-reaching effects on Japanese life and attitudes. We have unlimited opportunity to link Japanese economy with our own, as indeed it was so linked before the war in an exchange of commodities uniquely complementary, and in general to direct Japanese industry, trade and shipping to the mutual interests of both countries. Much of East Asia's present economic plight is attributable to the vacuum created by the elimination of Japanese shipping, Japanese management and Japanese trade. Sooner or later a distinction must be made between economic exploitation, such as Japan once imposed by force, and economic services, such as the Japanese are better qualified to render than any other people of the East.

What effect any suggestion of American cooperation with Japan would have on China and the U.S.S.R. would of course have to be carefully considered. So far as the Soviets are concerned, the effect would probably not be pronounced for the reason that such cooperation has, it seems to us here, already been taken into account. With the

Chinese, our position would probably in fact be strengthened if in due course they were brought to realize that the United States is not a perennial fount of indiscriminate largesse and that we are prepared to deal with the Japanese as an alternative to a singleminded policy of unlimited support of an unresponsive regime in China. Steps toward cooperation with Japan would tend to bring China into closer relationship with the Soviets only if our traditional friendly policy toward China were reversed, which it need not and should not be.

Respectfully yours,

For the Ambassador:  
W. WALTON BUTTERWORTH  
*Minister-Counselor of Embassy*

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740.00119 Control (Japan)/8-2246: Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

SECRET

TOKYO, August 22, 1946.

[Received August 24—3:54 p. m.]

381. Urtel 455, August 20.<sup>80</sup>

1. We have endeavored to inform Dept in advance of any proposed statements which might be of interest and in future shall make special effort to formulate such statements at earliest possible moment.

2. We are at loss to understand British request that proposal be withdrawn from agenda<sup>81</sup> as opposition thereto by British Commonwealth member would have killed the proposal. That the proposal would not receive approval was foregone conclusion from initial opposition thereto manifested by Soviet member at council meeting August 13. At August 21 meeting, Soviet member and British Commonwealth member (as they often have in the past in opposition US) took similar position that matter was outside purview of the council, although we had carefully explained that non-members to be invited would merely enter discussions informally and unofficially and that proposal had not been put forward for governmental discussion.

3. The British *démarche* to Dept raises in our minds some question of what British policy is with regard to the occupation. From reading of Far Eastern Commission minutes we have impression that British in Washington are quite solidly behind us in major problems. Our impression of new British Ambassador, Tokyo, is that he (and he assures us his Govt also) is most anxious to cooperate with and support this headquarters. But the attitude clearly manifested over long

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<sup>80</sup> Not printed.

<sup>81</sup> See note of August 19 from the British Embassy, p. 294.

period by British Commonwealth member of Council (an Australian) is almost diametrically opposite. He professes desire to cooperate but neither his actions nor public attitude in the Council have reflected any affirmative desire to do so and have on contrary shown him eager to seize every opportunity no matter how small to criticize the occupation and to air or imply criticism of the actions of the Supreme Commander and of this headquarters. While his activities in this respect have not individually been of sufficient news interest to make them the subject of press despatches his repeated needling of the chairman, frequent facetious imputation of non-cooperation by SCAP et cetera, and persistence in seeking in Council meetings for ways to bring out criticism of headquarters and the occupation have made him in some respects a greater nuisance than Soviet member has been.

General MacArthur and I had thought our proposal was fully in line with British policy in regard to Japan which, we had assumed, had merely been obscured by the British Commonwealth representative on the Allied Council who, we have thought, was probably more strongly influenced by his instructions from Australian Govt than by those from British Govt. British *démarche* now leaves us somewhat bewildered as to what British policy actually is here. We wonder whether the British representations to Dept do not provide desirable opportunity to indicate informally to the British in Washington that we would appreciate concrete and practicable manifestations in connection with Allied Council matters of affirmative British cooperation and support in Japan.

At present we lack such affirmative support from any of Allies represented on Council. The Chinese member is friendly but apparently hesitates to give us open support if it would involve him in any issue. The Soviet member and the British Commonwealth member, whether by arrangement or not, make in effect a strong combination in opposition to American interests which are wholly in conformity with announced and agreed upon Allied interests and objectives.

4. General MacArthur and I do not have any objection to Dept making such use of foregoing as may be deemed advisable in informal conversations with British officials.<sup>82</sup>

ATCHESON

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<sup>82</sup> The Acting Chief of the Division of Japanese Affairs (Borton) on August 28 wrote as follows: "The suggestion that British representation to the Department might provide desirable opportunity to indicate to them informally that we would appreciate concrete and practicable manifestations on the Allied Council of British cooperation and support in Japan was considered at a conference in Mr. Acheson's office. It was decided that no useful purpose would be served by taking the matter up with the British." (740.00119 Control (Japan)/8-2246)



740.00115 P. W./8-2646 : Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

SECRET

Tokyo, August 26, 1946.

[Received September 2—5 : 32 p. m.]

383. Subject is relief for and repatriation of Japanese nationals from Manchuria and Soviet-controlled areas.

Reference SCAP tel to WARCOS for State Dept and AmEmbassy Moscow number C 62607 14th July, our dispatches 492, July 9th and 517 July 12th [24th],<sup>83</sup> WDSCA EF number W 98151 and CINCAFPAC radio C 64545 26th August to WDSCA ES.

Japanese are showing ever increasing apprehension and unrest concerning fate of nationals in Soviet-controlled and Communist Manchuria areas. An increasing number of petitions signed by many thousands interested relatives as well as heavy daily mail of personal letters are being received by General Headquarters and Chairman Allied Council. On August 20th Special Committee from Japanese Diet made personal call on me to solicit assistance of United States Government in solving this problem. They stated pressure upon Diet members has reached point where situation is almost beyond control. Japanese press continues to reflect growing Japanese public concern regarding effects upon Japanese nationals during approaching cold season.

Culminating this widespread concern, Japanese Government has recently submitted to SCAP petition on repatriation of nationals from Manchuria and Siberia. According to Japanese records, over 1,000,000 Japanese still in Manchuria and 700,000 in Siberia. Given present condition of movement to coast and limited port facilities made available, Japanese Government now estimates that some 570,000 nationals in Manchuria alone have no prospect of being repatriated before next spring unless ports other than Hulutao are made available. Japanese Government estimates number deaths of nationals last winter in 11 districts in Manchuria from lack of fuel and food and from epidemics was 111,250 and points out that conditions will be infinitely worse this coming winter due exhaustion fuel, food, clothing; lack of medical supplies, bedding, etc.; and generally poor physical condition of the people. It urges that if repatriation cannot be effected necessary relief measures be taken.

General Headquarters points out that facilities of ports within the area of Manchuria under Soviet control will be needed to effect early repatriation as well as agreement and positive action by Soviet Government in bringing Japanese nationals to accessible ports.

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<sup>83</sup> Despatches 492 and 517 not printed.

In addition to action proposed by Department and reported in W 98151 from War Dept to CINCAFPAC, and that proposed in CINCAFPAC C 64545, it is suggested that as partial amelioration this urgent problem from the viewpoint of the occupation, Dept may wish, as interim measure and because of humanitarian considerations, to (1) request Chinese and Soviet Governments to render all practicable relief and assistance to Japanese nationals in their respective areas and (2) request governments concerned to allow (subject to censorship, if necessary) mail communication between Japanese nationals in their areas and Japan proper. Maybe Soviet action is to embarrass U.S.

ATCHESON

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740.00119 Control (Japan)/8-2346

*Memorandum by the Assistant Secretary of State (Hilldring) to the United States Member on the Far Eastern Commission (McCoy)*

SECRET

[WASHINGTON,] August 28, 1946.

In accordance with instructions of August 23, 1946, from the State-War-Navy Coordinating Committee, there is enclosed a statement of United States policy regarding A Definition of the Relationship Between the Far Eastern Commission and the Supreme Commander for the Allied Powers, comprising the substance of the Appendix of SWNCC 297/3, which was approved by the State-War-Navy Coordinating Committee on August 21, 1946, after amending.<sup>84</sup>

The United States Member, Far Eastern Commission, is advised that the statement of United States policy is furnished for his assistance and that it is not believed desirable for him to introduce or discuss this paper as a whole in the Far Eastern Commission.

ERNEST A. GROSS  
for J. H. Hilldring

[Annex]

*Appendix of SWNCC 297/3 Approved August 21, 1946, by the State-War-Navy Coordinating Committee*

STATEMENT OF UNITED STATES POLICY REGARDING A DEFINITION OF  
THE RELATIONSHIP BETWEEN THE FAR EASTERN COMMISSION AND  
THE SUPREME COMMANDER FOR THE ALLIED POWERS

Regarding the Terms of Reference of the Far Eastern Commission and the Allied Council for Japan, following are the views of the U.S. Government:

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<sup>84</sup> SWNCC in its memorandum SWN-4693, August 23, 1946, informed the Department that the Joint Chiefs of Staff had been requested to forward the Appendix of SWNCC 297/3 to the U.S. Representative on the Allied Council for Japan for his personal information and guidance (740.00119 Control (Japan)/8-2346).

1. *Review of U.S. Directives to the Supreme Commander:* U.S. directives issued through the Joint Chiefs of Staff to the Supreme Commander for the Allied Powers, either pursuant to policy decisions of the Far Eastern Commission or prior to the formulation of such policy decision, are subject to review by the Commission to the extent that the subject or substance of such directive is within the review jurisdiction of the Commission. In any case where the Commission is dissatisfied with a U.S. directive within the Commission's jurisdiction the appropriate action by the Commission is to issue a statement of policy which will cause the U.S. Government to change the directive.

2. *Review of Actions Taken by the Supreme Commander.*

a. *Action Taken Pursuant to Specific Directives.* Whenever the Commission is dissatisfied with an action taken by the Supreme Commander and the U.S. Government determines that such action was taken pursuant to a specific directive issued to him through the Joint Chiefs of Staff, the appropriate action by the Commission would be to review the directive, not the action of the Supreme Commander.

b. *Action Taken by Supreme Commander Pursuant to Broad Directives.* The Supreme Commander takes many actions upon his own initiative to implement broad directives issued by the United States Government. When the Far Eastern Commission has under consideration a policy which would reverse any such action, the recommendations of the Supreme Commander thereon should be given full weight by the Commission because of the political undesirability in Japan of reversing the Supreme Commander on any important phase of the occupation. The statement in the Moscow Agreement that "the functions of the Far Eastern Commission shall be . . . <sup>85</sup> to review . . . any action taken by the Supreme Commander involving policy decisions within the jurisdiction of the Commission" shall be interpreted to mean that, although the Far Eastern Commission in arriving at a policy decision may discuss any action taken by the Supreme Commander, formal review action should be limited to those matters upon which the Commission has reached a policy decision. The action taken by the Commission as a result of such review should be either a clarification of its earlier policy decision or a statement to the United States Government indicating the Commission's objection to the Supreme Commander's action and its reasons for considering the action to be inconsistent with its policy decision.

3. *Administrative Authority of the Supreme Commander.* It is to be noted that in the discharge of his responsibilities as the sole executive authority for the occupation, the Supreme Commander necessarily initiates and accomplishes many details of administration, flowing from the surrender terms and the basic policy directives, which are not covered by individual directives. The Supreme Commander's duty and authority to undertake such necessary administrative actions are implicit in the Moscow Agreement.

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<sup>85</sup> Omissions indicated in the original.



4. *Role of Allied Council.* It is to be noted that the occupation authority is now vested in three agencies: the Far Eastern Commission for the formulation of policies; the Supreme Commander for execution; and the Allied Council for advice and consultation with certain limited powers to cause executive action to be temporarily withheld in specified instances. There is no direct relationship between the Far Eastern Commission and the Allied Council, the latter being a separate body whose inherent value depends upon its independent operation under the control of the four participating powers.

5. *Information Regarding the Progress of Occupation Required by the Commission.* It is the intent of the U.S. Government to keep the Commission at all times adequately informed of the progress of the occupation, to the end that the Commission's policy decisions may be made in the full light of all necessary facts. When the Commission is of the opinion that its information on a subject within its jurisdiction is inadequate for its purposes, it should make the fact known to the U.S. Government, which will make every effort to meet the Commission's requirements. In addition, the Commission may arrange through its chairman for direct consultation with the Supreme Commander. Such consultation may, in the event of clear desirability, include visits to Japan by the Commission or one or more of its representatives. Such visits should be held to a minimum to avoid unnecessarily involving the Commission in the recognized chain of command from the U.S. Government to the Supreme Commander, or in the functions of the Allied Council. The Far Eastern Commission is authorized to meet in other places than Washington as occasion requires, including Tokyo, if and when it deems it desirable to do so; but it is not a function of the Commission to maintain continuous inspection in Japan of the Supreme Commander's action in implementation of directives received by him.

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740.00114 PW/9-746 : Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

TOKYO, September 7, 1946.

[Received September 9—6 p. m.]

398. In regard to allegations in press statement of 6 September by Soviet member Allied Council that this Headquarters had broken agreement relating to question of repatriation of Japanese nationals, General Headquarters last night issued to press following statement made by me as Chief of SCAP Diplomatic Section:

“With a view to completing as soon as possible the repatriation program, conversations between SCAP representatives and the Soviet member of Allied Council were initiated in June 1946 and dealt in the

first instance with the question of repatriation of Japanese from northern Korea. The subject matter was later extended to the question of repatriating Japanese from Manchuria and the Dairen-Port Arthur area of China. It was impossible to reach an agreement and the conversations terminated in July when the Soviet member made it known that he was not authorized to discuss the repatriation of any but Japanese civilians from northern Korea and certain Japanese civilians in the area of south Manchuria above-mentioned, and that he did not wish to proceed with the discussion of the remaining repatriation problems as a whole, involving the hundreds of thousands of Japanese prisoners of war in Soviet hands. SCAP representatives made known to the Soviet member that SCAP had shipping readily available to effect the repatriation. For all other sectors and with all other nations complete agreement on all repatriation problems was readily accomplished without friction and in entire accordance with the Potsdam terms.

Repatriation of Japanese soldiers, prisoner[s] of war, in overseas areas was undertaken pursuant to the provisions of the Potsdam Declaration that 'the Japanese military forces, after being completely disarmed, shall be permitted to return to their homes with the opportunity to lead peaceful and productive lives.' The repatriation of Japanese civilians on a broad scale from various overseas areas was undertaken by this Headquarters purely for humanitarian reasons, as no obligation to do so rests upon the Supreme Commander. The obligation stipulated in the Potsdam Declaration as to prisoners of war does rest upon all the directly concerned Allied Governments.

Following the termination of the conversations, the entire matter of the repatriation of Japanese military and civilian personnel from areas under the control of Soviet forces was referred to Washington for discussion on a governmental level. It is understood that there are still unrepatriated an estimated 800,000 Japanese troops who were captured by Soviet forces in Manchuria and northern Korea.

As regards the somewhat related question of the sending to Sakhalin from Japan of families of Japanese fishermen now in Sakhalin, the position of this Headquarters is simple one based upon a sense of justice and humanity. It would not be right to send Japanese women and children to Sakhalin under restrictive circumstances without full assurance that they would be permitted to return with their husbands and fathers if they wish. Such assurance has not as yet been given this Headquarters by the Soviet. Until such assurance is forthcoming, to send the fishermen's families to Sakhalin would amount to deportation. We do not believe in deporting women and children from their homes."

ATCHESON

740.00114 PW/9-1146

*The Acting Secretary of State (Acheson) to the British Ambassador (Inverchapel)*<sup>86</sup>

The Acting Secretary of State presents his compliments to His Excellency the British Ambassador and has the honor to refer to a telegram dated August 12, 1946 from the Supreme Allied Commander, Southeast Asia, to the War Department of the United States in which there is expressed an intention to retain 104,500 Japanese prisoners of war in the area of the Southeast Asia Command for the purpose of repairing the ravages of war, the final contingents to [be] embarked for repatriation not later than the end of 1947.

The United States Chiefs of Staff in a memorandum of August 28, 1946, informed the Combined Chiefs of Staff that the decision of the British Chiefs of Staff to postpone the repatriation of Japanese from Southeast Asia for reasons other than the availability of shipping had certain undesirable features from the point of view of the United States. This memorandum was occasioned by an inquiry from the British Chiefs of Staff as to whether the United States Chiefs of Staff would be agreeable to the chartering by the British at the end of 1946 or early 1947 of some of the ships which are being used for the present evacuation program. The memorandum from the United States Chiefs of Staff stressed that the Supreme Commander for the Allied Powers now has the organization and the shipping to complete all repatriation commitments by the end of the year 1946 and that the United States Chiefs of Staff expect that by the end of 1946 all United States shipping will have been withdrawn from this service and no United States shipping will remain under military control for repatriation purposes.

While fully cognizant of the importance of the reasons which have led to the decision by the British Chiefs of Staff to retain Japanese prisoners of war for another year in an area which has suffered so severely as a result of the war, the Department of State believes that primary consideration should be given to the serious consequences of a political nature which are likely to result from the retention of this number of Japanese prisoners of war in Southeast Asia. The Department of State also has in mind the commitments assumed by the Allied Powers under Article 9 of the Potsdam Declaration, which promised that Japanese military forces after being completely disarmed shall be permitted to return to their homes with the opportunity

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<sup>86</sup> Similarly a note on the same date was sent to the Netherlands Ambassador (Loudon) in regard to 10-15,000 Japanese retained in the Netherlands East Indies (740.00115 PW/9-1146). On October 25, 1946, the Netherlands Ambassador replied in note 7585 to the effect that 13,500 Japanese were needed for absolutely essential work and would be repatriated when circumstances permitted (740.00115 PW/10-2546).



to lead peaceful and productive lives. The Department of State earnestly hopes, therefore, that the decision to postpone the repatriation of more than 100,000 Japanese prisoners of war from Southeast Asia may be reconsidered and that His Majesty's Government will proceed with the repatriation as rapidly as the available shipping will permit.<sup>87</sup>

WASHINGTON, September 11, 1946.

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894.5043/9-1146

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

No. 601

TOKYO, September 11, 1946.

[Received September 23.]

The United States Political Adviser has the honor to forward herewith as an accompaniment <sup>88</sup> copies of the "First Interim Report on Treatment of Workers' Organizations in Japan Since the Surrender" prepared by General Headquarters, Supreme Commander for the Allied Powers.

The major section of the report deals with the implementation of policies on workers' organizations and the protection of workers and the action taken thereunder based on the policies laid down in the White House announcement of September 22, 1945,<sup>89</sup> and the Supreme Commander's statement of October 11, 1945.<sup>90</sup> The specific action taken under each of the following eleven headings is set forth in detail in the report:

(1) That recognition be given the freedom of industrial and agricultural workers to join trade unions or other organizations of their choice for purposes of improving their terms and conditions of employment and mutual protection.

(2) That provision be made for legal safeguards for workers' organizations in carrying out of legitimate trade union functions.

(3) That positive encouragement to the development of labor organizations be given in the employment and labor policies of the Occupation Forces themselves.

(4) That trade unions have the right of free assembly, speech and press, and access to broadcasting facilities on a nondiscriminatory

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<sup>87</sup> The British Embassy's note 553 on October 7, 1946, replied that 82,000 Japanese were expected to be retained in south-east Asian areas for the present; this was justified by devastation wrought during the war, by an acute food shortage in Malaya, and by a shortage of labor. However, the British agreed in principle that Japanese should be repatriated with minimum delay (740.00115 PW/10-746).

<sup>88</sup> Not printed.

<sup>89</sup> SWNCC 150/4/A, September 21, 1945; for text, see Department of State *Bulletin*, September 23, 1945, p. 423. This was sent to SCAP by the Joint Chiefs of Staff as directive, serial 10, September 22, 1945.

<sup>90</sup> *Political Reorientation of Japan*, p. 741.

basis, provided only that such assembly, speech or writing would not interfere with military necessity or public security.

(5) That all laws and other regulations be abrogated which prevent or have the effect of preventing (a) the free organization of trade unions for the purposes of improving wages, hours and working conditions and the rendering of mutual assistance, and (b) the performance of other legitimate activities directed to these ends.

(6) That persons who had been imprisoned because of activity of "thought" in connection with trade unions and other labor organization activity be released as promptly as proper examination procedure permitted.

(7) That patriotic workers' organizations or their affiliates, such as the Patriotic Industrial Associations, be dissolved.

(8) That as soon as workers' organizations were formed in consonance with democratic principles, they be encouraged to bargain collectively with employers regarding the terms of employment, subject to such policies on wages, hours and working conditions as would be established through the Japanese Government.

(9) That the Japanese Government should establish adjustment machinery for dealing with industrial disputes that could not be settled by direct and voluntary negotiation between the worker or his representative and the employer.

(10) That strikes and other work stoppages be prohibited only when such stoppages would interfere with military operations or military security or directly prejudice the objectives or needs of the Occupation.

(11) That Japanese Government agencies which had been set up or had functioned for the purpose of or in such a way as to obstruct free labor organization and legitimate trade union activities be abolished or their powers in respect to labor revoked, and all individuals who had been directly connected in a responsible capacity with the obstruction or repression of trade union organization or activity be declared ineligible for employment in labor agencies or as mediators, conciliators or arbitrators.

In the final section of the report, the present situation is summarized under (a) unions and union membership, (b) national labor unions, (c) federation of labor unions, and (d) regional councils and is supported by charts showing the breakdown by industries, number of unions, male members, and female members on a national scale and by prefectures.

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694.0031/9-1346

*The Department of State to the Soviet Embassy*

MEMORANDUM

The Department of State refers the Soviet Embassy to the discussion of Allied Trade Representatives in Japan held with the Representative of the Union of Soviet Socialist Republics, which took place at the 25th Meeting of Committee no. 2, Economic and Financial

Affairs on September 5, 1946. The Department regrets what appears to be a misunderstanding concerning the procedure whereby functions of these Trade Representatives was determined.

The Department of State, on April 25, 1946, circulated for the information of Committee no. 2 its exchange of views with the Supreme Commander for the Allied Powers concerning the functions of Allied Trade Representatives in Japan (C2-001/3). Subcommittee no. 1 of Committee no. 2 discussed the proposals of the Supreme Commander, and it was the consensus of the Subcommittee that the Supreme Commander's proposals would be more acceptable to their governments if somewhat modified. The United States Government, accordingly, communicated informally the proposed modifications to the Supreme Commander. The text of the communication was circulated to Committee no. 2 as C2-001/6. In its meeting on June 26, 1946 the Committee discussed the matter briefly and did not question the method by which the matter was being handled.

The Supreme Commander's reply to the United States Government was circulated to Committee no. 2 on July 30, 1946. This document was discussed at the 21st Meeting of the Committee on August 13. It was the opinion of the Committee, and the understanding of the United States Government, that no further action was required by the Far Eastern Commission and that all that remained to be done was for individual governments to take steps to have Trade Representatives appointed. The Committee asked that the United States Representative formally record the Supreme Commander's statement as a Commission document, indicating the method whereby Trade Representatives would be appointed. The United States Government complied with the request of the Committee by circulating FEC 088 for the information of the Commission. It appears, therefore, that in order to be consistent with the manner in which the whole question had been handled since its introduction on April 25, C2-001/8 should have been circulated for the information rather than for the consideration of the Committee.

In reply to the question raised by the Soviet Delegate in the 25th Meeting of the Commission concerning the responsibility for determining the functions of Trade Representatives in Japan, the United States Government's view is that this is a matter of administrative implementation of general trade policy, for decision by the Supreme Commander for the Allied Powers. The function of the United States Government has been to facilitate communication between the Supreme Commander and the governments which might wish to cooperate in the appointment of Trade Representatives.

The Department trusts that the above explanation will answer the questions raised by the Soviet Representative.

WASHINGTON, September 13, 1946.



740.00119 Control (Japan)/9-1846

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

[Extracts]

CONFIDENTIAL

No. 607

Tokyo, September 18, 1946.

[Received October 7.]

SIR: I have the honor to refer to this Mission's despatch no. 2, October 8, 1945,<sup>91</sup> transmitting a memorandum on the removal of restrictions on political, civil, and religious activities in Japan<sup>92</sup> and to subsequent despatches on the general subject of the Japan Communist Party.

As a result of the unprecedented political liberty which was granted, and the release from prison on October 10, 1945 of a number of avowed members of the Communist Party, including Shiga Yoshio and Tokuda Kyuichi, the feeling became widespread in Japan that General Headquarters was giving both direct and indirect support to communistic activities in this country. While it is extremely difficult to furnish tangible evidence that the Japanese people believed that this support was real, numerous press items which appeared in the Japanese press between October 1945 and March 1946 as well as personal interviews with political party leaders indicate that many rumors to this effect were extant and widely believed. In some cases, the attitudes of personnel in various Sections of General Headquarters were attributed by interested Japanese to radical tendencies. These instances were cited as "proof" that SCAP was in fact supporting communistic activities. The relative freedom with which the Japan Communist Party and its sympathizers were able to organize mass meetings and demonstrations in Tokyo and other cities of Japan further served to indicate to the more conservative elements of Japan, a sympathetic attitude on the part of General Headquarters and the United States towards communism here.

It was and still is difficult for Japanese to differentiate between active support of communistic principles and the general rule of democracy which allows political parties of all shades of opinion to organize and to have their say, provided that their activities are not inimical to the Occupation. Further, the circumstance that members of the Japan Communist Party were able to attract relatively large audiences and to receive full press publicity concerning their remarks was somewhat puzzling even to well-informed Japanese. Finally, Japanese communists were quick to sense this bewilderment and took full advantage

<sup>91</sup> Not printed.

<sup>92</sup> For Scapin-93, October 4, 1945, to the Japanese Government from SCAP, see *Political Reorientation of Japan*, p. 463.

thereof by means of a whispering campaign calculated to spread rumors to the effect that they had the support of General Headquarters.

The combination of the above factors furnished ample "proof" to the average Japanese that General Headquarters was entirely in sympathy with the Japan Communist Party, and fears were expressed that the rapid increase in Communist Party membership foreshadowed the gradual communization of Japan. It appears probable that the comparatively large number of votes cast for Communist Party candidates in the election of April 10, 1946 is partly attributable to a belief by many Japanese that General Headquarters desired a good showing to be made by the Japan Communist Party.

It is felt that the Allied Council for Japan has served a useful purpose in providing a convenient sounding-board for American policy *vis-à-vis* Japan, the Soviet Union, and other countries in the Far East. It has afforded ample opportunity to make clear to the Japanese people and incidentally to the Soviet Union and other Governments, that the United States does not consider the communization of Japan in our or Japan's best interests. It is believed that this clarification has lent considerable encouragement to many Japanese political leaders who, though conservative by nature, are nevertheless sincere in their desire and effort to hasten the democratization of Japan by stabilizing political thought to the point where neither the extreme right nor the extreme left can prevail.

Respectfully yours,

GEORGE ATCHESON, JR.

740.00119 Control (Japan)/9-1946: Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

Tokyo, September 19, 1946.

[Received September 19—12:22 p. m.]

418. ReDeptels 483 and 485, Sept 16 and 17 [16].<sup>93</sup> The original draft of article 84 proposed constitution reads:

All property of the Imperial household, other than the hereditary estates, shall belong to the state. The income from all Imperial properties shall be paid into the National Treasury, and allowances and expenses of the Imperial household, as defined by law, shall be appropriated by the Diet in the annual budget. In order to conform to the requirements of subparagraph *d* of paragraph 4 of the statement

<sup>93</sup> Neither printed; they asked further questions. for the Far Eastern Commission, in regard to Imperial hereditary estates (740.00119 Control (Japan)/9-1946).

of policy adopted by the Far Eastern Commission on 2 July 1946, the provision now reads as article 88:

“All property of the Imperial household shall belong to the state. All expenses of the Imperial house shall be appropriated by the Diet in the budget.”

Thus the provision excepting the hereditary estates of the Emperor from transfer to the State has been removed. The actual transfer of the property of the Imperial household to the state is to be effected when the new constitution becomes effective.

[ATCHESON]

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894.011/9-2446

*The Chairman of the Far Eastern Commission (McCoy) to the Acting Secretary of State (Clayton)*<sup>94</sup>

WASHINGTON, September 24, 1946.

MY DEAR MR. SECRETARY: As you are aware, the Far Eastern Commission has been considering the Japanese Draft Constitution officially during the past several weeks. During this period the various representatives on the Commission have been stating the positions of their respective governments. They have frequently pointed out that important matters which normally would be included in a Constitution, such as the composition of the House of Peers, are to be determined by subsequent legislation. It has been the general opinion that such implementing laws should be made available to the Commission for review since they would be an essential part of the new constitutional structure which is being erected in Japan. The Commission believes that it is competent to pass upon both the new Constitution and the implementing laws to ascertain whether they are inconsistent in any respect with the Potsdam Declaration and the policy decisions of the Far Eastern Commission.

I have agreed with the other members of the Commission in their point of view, and accordingly stated at the 24th Meeting of the Commission on August 28, 1946, and again at the 26th Meeting on September 19, 1946, that subsequent implementing legislation would be filed with the Commission by the United States Government and that the Commission might pass a policy decision in regard to any aspect of

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<sup>94</sup> Ernest A. Gross, Special Assistant to the Assistant Secretary of State for Occupied Areas (Hilldring), on September 26 asked Mr. Hugh Borton, Acting Chief of the Division of Japanese Affairs, to draft a reply and said: “I think we should clarify point that FEC will not pass upon implementing legislation in draft stages. Perhaps we should discuss this with Dean Rusk.” Mr. Rusk was Special Assistant to the Secretary of War (Patterson). On October 9 Mr. Borton sent Mr. Gross a draft reply “as a possible basis for discussion with Mr. Rusk of the War Department.” (894.011/9-2446)



implementing legislation which the Commission agreed was inconsistent with the principles of the Potsdam Declaration or relevant Commission policy decisions.

Your attention is invited to this commitment on behalf of the United States Government. It would be my understanding that the following procedure is in order. Draft implementing legislation on important subjects would be filed with the Commission as it is submitted to the Diet. The Commission may review such legislation if it involves policies within the jurisdiction of the Commission, and may pass a policy decision in regard to it if the Commission should deem such decision necessary to make the legislation consistent with the Potsdam Declaration and the policy decisions of the Far Eastern Commission. Such a policy decision would be sent to the Supreme Commander for the Allied Powers through the usual means of a directive issued by the United States Government.

A list is enclosed of the titles of bills reported in the Japanese press as constituting the principal items of implementing legislation for the Constitution. I understand that these bills are to be introduced at an extraordinary session of the Diet this fall. These might be requested from the Supreme Commander for file with the Commission as the first step in honoring our commitment.

Sincerely yours,

FRANK R. MCCOY

[Enclosure]

#### LIST OF BILLS ON IMPLEMENTING LEGISLATION

1. Cabinet Law (Naikaku Ho)
2. National Diet Law (Kokkai Ho)
3. House of Councillors Law
4. Imperial Household Law
5. Partial Amendment Bill on the Civil Code
6. Partial Amendment Bill on the Criminal Procedure Law
7. Partial Amendment Bill on the Court of Justice Organization Law
8. Public Procurator's Office Law
9. Plebiscite Law for Discharging Judges
10. Judges Impeachment Law
11. Finance Law
12. Partial Amendment Bill on the Criminal Code
13. Court Law
14. Special Regulations Concerning Administrative Suit
15. Law for Protection of Fundamental Human Rights

894.011/10-146

*Excerpt From Minutes of 28th Meeting of the Far Eastern Commission  
on September 25, 1946*<sup>95</sup>

Item 5—*Statement by Committee No. 3: Constitutional and Legal Reform, on FEC-087/5, Soviet Proposals Concerning the Draft Constitution (FEC-087/6)*

SIR CARL BERENDSEN<sup>96</sup> moved *pro forma* and MR. VESUGAR<sup>97</sup> seconded the motion that the report of Committee No. 3 on the amendments to the draft constitution proposed by the Soviet representative<sup>98</sup> in FEC-087/5 be adopted. In the light of the discussion and action recorded below, SIR CARL BERENDSEN, with the consent of Mr. Vesugar, later withdrew his *pro forma* motion.

THE COMMISSION considered *seriatim* the statement of Soviet views (FEC-087/5) in regard to the draft constitution, together with the report by Committee No. 3 on these views (FEC-087/6).

ADMIRAL RAMISHVILI moved the adoption of paragraph 1 of FEC-087/5 as follows:

"The Sovereign power of the people should be defined in the constitution more precisely and clearly. The provision to the effect that 'sovereign power resides with the people' should constitute a separate Article and have no connection with the definition of the role of the Emperor."

The motion lapsed for lack of a second.

ADMIRAL RAMISHVILI moved the adoption of the first sentence of paragraph 2 of FEC-087/5 as follows:

"The Diet should have the right to appoint not only the prime minister, but also the remaining ministers of the Cabinet."

The motion lapsed for lack of a second.

DR. KOO<sup>99</sup> moved and MAJOR PLIMSOIL<sup>1</sup> seconded the motion that the principle in paragraph 2 of FEC-087/5 that "All the ministers should be civilians" be adopted, in the light of the favorable report on this point by Committee No. 3.

SIR CARL BERENDSEN said that unanimous agreement on this principle already existed. He pointed out that the Commission had already laid down this principle in its statement of basic principles for a

<sup>95</sup> Copy transmitted to the Department in letter of October 1 from the Secretary General of the Far Eastern Commission (Johnson), not printed.

<sup>96</sup> New Zealand Minister and chairman of Steering Committee, Far Eastern Commission.

<sup>97</sup> Jamshed Vesugar, Indian member of Steering Committee.

<sup>98</sup> Rear Adm. S. S. Ramishvili, member of Steering Committee.

<sup>99</sup> V. K. Wellington Koo, Chinese Ambassador and representative on the Far Eastern Commission.

<sup>1</sup> Maj. J. Plimsoll, Australian member of Steering Committee.

new Japanese constitution (FEC-031/19)<sup>2</sup> and that the Supreme Commander, according to the communication from him (FEC-087/8) considered earlier on the agenda, had obtained the agreement of the Japanese Government to this principle. SIR CARL said that he realized that the Soviet representative entertained doubt as to whether the Diet would include the desired provision in the constitution. He thought it not likely that the Diet would challenge the authority of the Supreme Commander in this manner, and he suggested that steps to meet such a contingency need not be taken now.

GENERAL MCCOY said that, although the principle had been included in the statement of basic constitutional principles, there was no harm in reaffirming it.

The motion by Dr. Koo was carried unanimously.

ADMIRAL RAMISHVILI moved the adoption of paragraph 3 of FEC-087/5 as follows:

"Members of the Supreme Court should be elected by the Diet for 5 years service."

The motion lapsed for lack of a second.

ADMIRAL RAMISHVILI moved the adoption of paragraph 4 of FEC-087/5 as follows:

"The Article concerning regency should be worded in the sense that regency is established on the principle of the free expression of will of the people with whom the sovereign power resides. Such principle of establishing the regency is in compliance with the spirit of the Potsdam Declaration and also with the decision of the Far Eastern Commission on 'Basic Principles of a New Japanese Constitution,' in which it is stated that 'the Japanese people should be encouraged to abolish the Emperor Institution or to reform it along more democratic lines.'"

The motion lapsed for lack of a second.

ADMIRAL RAMISHVILI moved and DR. DE KAT<sup>3</sup> seconded the motion that paragraph 5 of FEC-087/6 be adopted as follows:

"The Committee agrees that the House of Councillors should not have any predominance over the House of Representatives and considers that it will be essential to scrutinize the implementing legislation very carefully to ensure that such predominance shall not be established."

The motion was carried unanimously.

SIR CARL BERENDSEN moved and MR. VESUGAR seconded the motion that the Commission reaffirmed its previous decision taken in FEC-031/19, Basic Principles for a New Japanese Constitution, that all

<sup>2</sup> July 2; printed as directive serial 54, July 6, to SCAP in *Political Reorientation of Japan*, p. 661.

<sup>3</sup> A. D. A. de Kat Angelino, Netherlands alternate member of Steering Committee, Far Eastern Commission.



cabinet ministers should be civilians and decide as a matter of policy that the House of Councillors should not have any predominance over the House of Representatives and that the Commission state that it considers essential its continuing right to scrutinize the implementing legislation very carefully to ensure that such predominance not be established. The motion was carried unanimously.<sup>4</sup>

THE COMMISSION unanimously agreed to table FEC-087/6.

ADMIRAL RAMISHVILI presented the following formal statement:

"Proceeding from the desire to bring the draft of the Japanese Constitution into full compliance with the Potsdam Declaration and the decision of the Far Eastern Commission: FEC-031/19, the Soviet Delegation has made the following proposals at the 26th meeting of the Far Eastern Commission:

(a) The provision to the effect that 'sovereign power resides in the people' should constitute a separate Article, and not in connection with the definition of the role of the Emperor.

(b) To recognize the right of the Diet to appoint not only the prime minister but also the remaining Cabinet ministers.

(c) All the ministers, including the prime minister, should be civilians.

(d) The members of the Supreme Court should be elected by the Diet for 5 years service.

(e) The Constitution Article concerning regency should be worded in the sense that regency is established on the principle of the free expression of will of the Japanese people with whom the sovereign power resides.

(f) The USSR Delegation doesn't insist on the unicameral system provided the House of Councillors has no predominance over the House of Representatives.

"The Soviet Delegation is convinced that the above proposals are in full accord with the principles set out in the Potsdam Declaration and with the decisions of the Far Eastern Commission: FEC-031/19, and represent the necessary provisions of a truly democratic Constitution.

"However, the proposals of the Soviet Delegation under (a), (b), (d) and (e) have been rejected by the majority of the members of the Far Eastern Commission.

"Under *these circumstances*, the Soviet Delegation, acting on behalf of the Government of the USSR, states that it does not consider it possible to approve the draft of the Japanese Constitution, as the latter, without inclusion of the above-mentioned proposals, does not comply with the principles set out in the Potsdam Declaration nor with the decision of the Far Eastern Commission: FEC-031/19.

"The Soviet Delegation reserves its right of criticism and consideration *in future* of the questions concerning the Japanese Constitution."

<sup>4</sup> FEC-087/9; see draft message to SCAP, p. 335.

740.00119 FEAC/9-2646

*Memorandum by the Acting Chief of the Division of Japanese Affairs  
(Borton) to the Director of the Office of Far Eastern Affairs  
(Vincent)*

[Extract]

SECRET

[WASHINGTON,] September 26, 1946.

At a special meeting of the Far Eastern Commission on September 25 the following main topics were discussed:

A. *Revision of the Japanese Draft Constitution.* General MacArthur had cabled that in deference to the views of other governments he had persuaded the Japanese Government to insert "universal adult suffrage is hereby guaranteed" in Article XV and "Prime Minister and Ministers of State shall be civilians" in Article LXVI. He further stated that the House of Peers is expected to complete its action on the Constitution this week. The acceptance of the above changes by SCAP created a favorable atmosphere at the Commission meeting and resulted in the Chinese Delegate approving the Constitution without reservation except a desire to see the Constitution in final form.

B. *Review of the Constitution (FEC-031/36).* This paper was postponed awaiting Soviet instructions on the revised version of the first paragraph.

C. *Soviet Proposals Concerning Draft Constitution (FEC-087/6).* [Here follows summary of discussion reported in excerpt from minutes of 28th meeting, printed *supra*.]

D. *Inter-Allied Trade Board for Japan (FEC-089).* As the Philippine Delegate had not yet received instructions on the paper, its consideration was postponed until the next meeting but it seems likely that the Commission will approve the establishment of an Inter-Allied Trade Board to provide easy and rapid means of consultation between the United States Government and other governments on the FEC, regarding the disposition of exports available for Japan and the furnishing of imports required for Japan.

. . . . .  
H[UGH] B[ORTON]

740.00119 FEAC/9-3046

*Memorandum by the Acting Chief of the Division of Japanese Affairs  
(Borton) to the Director of the Office of Far Eastern Affairs  
(Vincent)*

[Extract]

SECRET

[WASHINGTON,] September 30, 1946.

1. *Far Eastern Commission*

No change in items previously referred to (A, B, C, D).

*E. Possible Maintenance of Japanese Land, Sea and Air Forces Under Article IX of Japanese Draft Constitution.*<sup>5</sup>

Lt. Col. Dupuy, U.S. member of Committee No. 7 to which the resolution on this subject was referred, states that at the meeting of the committee on September 26, the Chinese and Australian representatives both stated that, in view of the expected amendment to the Constitution to provide for civilian Cabinet ministers, further consideration of Article IX might be postponed. The Committee then voted unanimously to table the resolution with the understanding that they would continue to exercise vigilance over developments in Japan which might affect this matter. It is not likely therefore that Article IX will be discussed again in the immediate future. It would seem that the attitude of the United States should be that the demilitarization and demobilization of Japan depend upon agreement among the Allied Powers rather than upon the Japanese Constitution, which may later be amended by the Japanese themselves. Regardless of the wording of Article IX, determination of Japan's military establishment must be left to the peace treaty and to such international agreements as the proposed 25 year Disarmament Treaty. As Committee No. 7 does not expect to take further action on the question at present JA is postponing preparing the paper on this subject mentioned in Report # 2.<sup>6</sup>

[Annex]

ARTICLE IX OF JAPANESE DRAFT CONSTITUTION <sup>7</sup>

CHAPTER 2

*Renunciation of War*

Article IX. ~~War~~ *Aspiring to an international peace based on justice and order, the Japanese people renounce war forever* as a sovereign right of the nation, and the threat or use of force is ~~forever renounced~~ as a means of settling disputes with other nations.

~~The maintenance of~~ *For the above purpose, land, sea, and air forces, as well as other war potential, will never be authorized maintained.* The right of belligerency of the state will not be recognized.

<sup>5</sup> *Infra.*

<sup>6</sup> Not printed.

<sup>7</sup> The text is printed as in the original document. The words crossed out were omitted; the words in italics were added in revision.



740.00119 Control (Japan)/10-246: Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

PRIORITY

Tokyo, October 2, 1946.

[Received October 2—3:59 p. m.]

439. Subject of Jap demobilization board which has been charged with and has effected demobilization of some 6 million Jap soldiers was discussed Allied Council meeting this morning at request of Soviet member. During discussion Soviet member alleged some members of board are war criminals, research section of board engages in illegal intelligence activities and in effect alleged that SCAP in continuing operation of board was actually continuing existence and activities of Jap General Staffs.

There follows excerpt from verbatim minutes of the meeting which includes my extemporaneous response to Soviet allegations:

THE CHAIRMAN: I believe that at the last meeting I made some inquiries as to the purpose the Soviet member had in mind in placing this subject on the agenda. I think that now at long last, we have learned what his purpose was. I believe I mentioned also at the last meeting that it is stipulated in one of the basic directives that the Supreme Commander shall utilize Japanese personnel for purposes of the occupation. It is stipulated in one of the basic directives that the machinery of the Japanese Govt shall be utilized to the extent that this furthers the purpose of the occupation. Certainly, for the purposes of demobilization, it was necessary and practicable to utilize personnel which had formerly been military and naval personnel and who could be expected to know how to do the job. These people in the demobilization board have themselves been demobilized. They are now in civilian status and have been for a long time. If there is any evidence that any of them should be charged with being war criminals, the Supreme Commander would be very glad to receive such evidence. If any member has any concrete evidence of any illegal or improper activities on the part of the demobilization bureaus or the divisions, or sections or members, the Supreme Commander would be very glad to receive such evidence. Every act of the officials of the demobilization board is under constant surveillance and check. The Soviet member mentions a certain anxiety in regard to them and their activities. I must say that the only anxiety I have felt has been that they would not be able to finish their job. As a matter of fact, if the Soviet authorities had been willing to repatriate the 800,000 or a million Japanese soldiers in their hands as part of our general repatriation program, the activities of the demobilization bureaus would now be drawing to a close. As it now stands, if the schedule recently proposed by the Soviet authorities for repatriation of prisoners of war in their hands

at the rate of from 15 to 25,000 a month is carried out, the demobilization bureaus will have to remain in existence for at least another year. I would like to repeat again, that if any member has any evidence of illegal activities on the part of any members of the bureaus—demobilization bureaus—on the part of the bureaus or their agencies, the Supreme Commander would be very glad to have it. It is my recollection that on a number of occasions at meetings of the Council, charges and allegations have been made against agencies of the Japanese Govt or officials of the Japanese Govt. It is my recollection that on every such occasion I have endeavored to make it clear that if any member has any evidence to support such allegations—any concrete evidence—the Supreme Commander would be very glad indeed to have it. It is also my recollection that in no such instance has any member ever presented any evidence whatsoever in support of the allegations in question.

As regards the question of the research bureau, I may say by way of explanation that that bureau undertakes research at the specific instruction of General Headquarters. Its purpose is to undertake research into such matters as the location and former activities of military units. I see no connection between it and the recent commission for the investigation of war causes. Since the Soviet member has mentioned it, I may say that his statement that the commission has been dissolved [is correct]. I may further say that the Jap Govt dissolved the commission on its own initiative in view of the criticism directed against it by the Soviet member and the British Commonwealth member,—

MISTER BALL: Good.

THE CHAIRMAN: And in order to avoid further misrepresentation of its purposes.

MISTER BALL: Mister Chairman, do you imply that you personally regret its dissolution?

THE CHAIRMAN: I may say that General MacArthur's attitude toward it, and my attitude toward it, have not changed.

As regards the statement of the Soviet member that in continuing the operation of these demobilization bureaus for their various purposes which include demobilization, repatriation, care of widows and orphans [—] in regard to his statements indicating that we are thus actually supporting a camouflaged Jap General Staff, I would say that this to me is a most surprising statement. In fact—

(Soviet interpreter requests pause for translation.)

THE CHAIRMAN: In fact it is a fantastic statement. It should be just as fantastic if some misguided and propaganda-minded person should make the ridiculous allegation that the 800,000 or so Japanese

soldiers in Soviet hands have been retained for the purpose of developing a secret army.

Again and as usual British Commonwealth member sided with Soviet member by remarking he was glad that I had branded as untrue allegations in question in regard to Soviet member's staff and in regard to Soviet utilization of Japanese prisoners of war in their hands.

ATCHESON

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FE Files (Peace Treaty)

*Memorandum by the Chief of the Division of Japanese and Korean Economic Affairs (Martin)*<sup>8</sup>

SECRET

[WASHINGTON,] October 3, 1946.

ALTERNATIVE DRAFTS ON POST PEACE TREATY CONTROL ORGANIZATION  
IN JAPAN

In order that the Committee may have an opportunity to see in writing several alternative approaches to this problem and choose more intelligently between them, I attach the following [:]

1. Attachment 1<sup>9</sup> is a revised draft of the document already distributed without important change in substance.

2. Attachment 2<sup>10</sup> is an alternate to paragraphs 1a and 2 of the above which substitutes a Council of Ambassadors for a Far Eastern Commission.

3. Attachment 3<sup>11</sup> is an alternate to paragraphs 1b, 3, 4, and 6 of Attachment 1 as modified by Attachment 2, which transfers directive power from the Allied Administrator to the Council of Ambassadors and makes a few other verbal changes.<sup>12</sup>

[Annex]

1. For the purpose of ensuring that the Japanese Government and people do carry out and perform the provisions of the Potsdam Decla-

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<sup>8</sup> Addressed to Warren S. Hunsberger, Division of Research for the Far East; James K. Penfield, Deputy Director, Office of Far Eastern Affairs; John K. Emmerson, Assistant Chief, Division of Japanese Affairs; and Ruth E. Bacon, Office of Far Eastern Affairs. Miss Bacon, Hugh Borton, Acting Chief, Division of Japanese Affairs, and Messrs. Emmerson, Hunsberger, and Martin made up a working group on the Japanese peace treaty.

<sup>9</sup> Annex 1; it was drafted by Mr. Martin on October 2.

<sup>10</sup> Not printed; it was drafted by Mr. Martin on October 3.

<sup>11</sup> Not printed; it was drafted by Mr. Martin on October 2.

<sup>12</sup> At a meeting of the three Secretaries (State, War, and Navy) on September 11, Assistant Secretary of War Petersen reported on conversations with General MacArthur in Tokyo. Mr. Petersen informed General MacArthur "of the interdepartmental committee on the Japanese peace treaty and MacArthur stated he would welcome a visit of the committee. MacArthur will no doubt have a draft treaty of his own by the time the committee arrives. The General is opposed to the FEC as the organization to handle negotiations on the peace treaty and thinks it will have to be done at some Four-Power level." (811.002/1-2446)



ration, the Instrument of Surrender and this Treaty, and for as long as may be necessary to make certain that the full intent and purpose of these documents with respect to Japan and the Japanese people has been carried out, there is hereby established

*a.* The Far Eastern Commission, to be responsible on behalf of the Allied and associated powers for policy guidance to the Allied authorities engaged in Japan in seeing that the terms of the Potsdam Declaration, the Instrument of Surrender and this Treaty are being executed, and particularly responsible for determining when both individually and as a whole the various steps required by these documents have been completed satisfactorily by the Japanese Government and people, and to perform such other functions as may be assigned to it by this Treaty.

*b.* The Allied Administrator for Japan, appointed by the U.S. Government with the concurrence of the FEC, who shall have executive authority in Japan under the terms of this Section and of policy directives originated by the Far Eastern Commission for seeing that the Japanese Government and people carry out expeditiously the requirements of the Potsdam Declaration, the Instrument of Surrender and this Treaty.

2. The Far Eastern Commission shall have the same terms of reference as the body with the same name established by the Council of Foreign Ministers at Moscow in December 1945. It shall be responsible for the abolition of the Office of Allied Administrator for Japan and for its own dissolution.

3. The Allied Administrator for Japan shall be a civilian with a civilian staff, assisted by such military forces, subordinate to him, as he deems necessary to insure effective enforcement of his orders, drawn from the countries participating in the Far Eastern Commission in accordance with arrangements made by it.

4. The Allied Administrator for Japan and his staff, including such military forces as he may require, shall be given full cooperation by the Japanese Government, including access to all parts of Japan, to all sources of information on conditions and developments in Japan, including all files of the government, and shall be authorized to issue such directives to the Japanese Government as may in the judgment of the Allied Administrator be necessary to secure prompt execution of the terms of the Potsdam Declaration, the Instrument of Surrender and this Treaty, which directives shall be binding on all branches of the Japanese Government until rescinded.

5. After consideration of the recommendation of the Allied Administrator, the Far Eastern Commission may at any time declare particular requirements of the Instrument of Surrender, the Potsdam Declaration or this Treaty to have been executed satisfactorily and thereon relieve the Allied Administrator of further responsibility for the enforcement of such requirements, and, where appropriate, the

Japanese Government and people of such obligations as they may have had in connection therewith. At such time as it considers appropriate, but not before all nonpermanent articles of this Treaty have been rescinded and all requirements of the Potsdam Declaration and the Instrument of Surrender have been formally determined by the FEC to have been fulfilled, and the Office of the Allied Administrator for Japan shall have been abolished, the FEC shall recommend Japan for membership in the United Nations.

6. Subject to such additions as the Far Eastern Commission may make and to such deletions as may be made in accordance with the procedure described in paragraph 5 above, particular attention should be paid to the following:

*a.* Enforcement of Japanese Disarmament as prescribed in Section . . . . . of this Treaty.

*b.* Regulation of Japanese Research activities to prevent Rearmament as prescribed in Section . . . . . of this Treaty.

*c.* Enforcement of limits on Japanese imports of strategic materials, production capacity in selected war supporting industries and merchant shipping activities as prescribed in Section . . . . . of this Treaty.

*d.* Strict compliance with the provisions of International Treaties and Agreements to which Japan is required to subscribe by the terms of Section . . . . . of this Treaty.

*e.* Continued compliance with and execution of policy decisions of the pre-peace treaty FEC and of directives issued by SCAP and in effect at the time of signature of this treaty designed to carry out the terms of the Instrument of Surrender and the Potsdam Declaration, particularly those on elimination of active nationalists from positions of influence, agricultural reform, reform of economic organizations (Zaibatsu, patents, cartels), workers' organizations, etc. (See Annex . . . . . for list).

*f.* Execution of the provisions of this Treaty with respect to Restitution (Section . . . . .), Reparations (Section . . . . .), and Property Rights and Interests (Section . . . . .).

7. Pending specific authorization by the Far Eastern Commission for direct Japanese representation, the U.S. Government shall represent the interests of the Japanese Government, speaking through the Allied Administrator, on the United Nations and affiliated organizations.

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[In a confidential memorandum on September 26, 1947, Mr. Martin wrote Mr. Borton in regard to the Japanese peace treaty as follows (extract):

3. The decision to press for an early peace treaty arose out of the following considerations:

(a) General MacArthur had indicated publicly a desire for an early treaty.

(b) The present occupation organization did not seem suited to cope with the type of problems which were becoming increasingly important in Japan, and an early peace treaty seemed the only way to replace that organization with more suitable Allied supervision.

(c) It was felt that a peace treaty, by removing cumbersome restrictions placed upon Japanese economic activity by the present military organization, and by transferring substantial responsibility to the hands of the Japanese, would stimulate Japanese incentives and thus facilitate the recovery of the Japanese economy and a consequent reduction in U.S. costs. Optimism on this point appears to have had an especially important influence on SCAP's views.

(d) It was expected that the signing of a peace treaty would terminate the substantial requirement for U.S. military resources attendant on the occupation.

4. It was therefore felt that the objective of the United States policy with respect to Japan—namely, the creation of a peaceful, stable, self-supporting, and pro-American Japan—could most effectively be realized through the drafting of an early peace treaty. That decision was based on the following assumptions:

(a) that all governments which are members of the Far Eastern Commission would adhere to the treaty;

(b) that the treaty would be negotiated through democratic voting procedures which would maximize the probability of securing a treaty along the lines desired by the United States;

(c) that the treaty would result in the establishment of a more effective Allied supervisory authority in Japan;

(d) that security considerations in the Pacific area would not militate against termination of the present pre-eminent U.S. position in Japan;

(e) that economic condition in Japan and the Far East would, during the next several years, be such as to make possible an early Japanese economic recovery without more than minimum U.S. assistance continuing beyond the peace treaty.]

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740.00119 Control (Japan)/9-1346

*The Acting Secretary of State to the Chinese Ambassador (Koo)*<sup>13</sup>

WASHINGTON, October 4, 1946.

EXCELLENCY: I have the honor to refer to correspondence between the Chinese Government and the American Embassy at Nanking as a result of which agreement in principle was reached for the participation of a Chinese force of 15,000 in the occupation of Japan. It was

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<sup>13</sup> Handed on October 7 to the First Secretary of the Chinese Embassy (Tsui) by the Deputy Director of the Office of Far Eastern Affairs (Penfield); copy to SWNCC on October 7 and reported to Nanking and Tokyo on October 8 in telegram 848, 7 p. m., to Nanking (740.00119 Control (Japan)/10-846).



decided that the working out of detailed arrangements for the employment of this force would be a matter for discussion at Tokyo between representatives of the Chinese Government and General MacArthur. A draft agreement on this subject was signed in Tokyo on July 20, 1946, by General Chu Shih-ming on behalf of the Chinese Government and General Paul J. Mueller on behalf of General MacArthur. The text of this agreement as approved follows:

"1. The arrangements herein have been agreed upon between Representatives of the Supreme Commander for the Allied Powers and the Chief, Chinese Mission in Japan covering establishment and operation of the Chinese Occupation Force in Japan and incorporating certain modifications made in a similar agreement, now superseded, signed on 4 June 1946. It is understood that these arrangements are tentative in nature until confirmed by the United States and Chinese Governments.

"2. *Command Relationships.*

a. *Mission.*

The Chinese Occupation Force will constitute a component of Allied Occupation Forces in Japan under the Supreme Command of the Supreme Commander for the Allied Powers. It will be charged with the normal military duties of a force of its size and composition. Areas allocated to the Chinese Occupation Force will not constitute a national zone, and accomplishment of specific occupation missions therein will be assigned to the Chinese and/or other Allied Occupation Forces from time to time as the Supreme Commander for the Allied Powers may direct.

b. *Operations.*

The Chinese Occupation Force will be charged by the Supreme Commander for the Allied Powers with military control of areas allocated to it for this purpose. The Chinese Occupation Force will be charged with demilitarization and disposition of Japanese installations and armament within areas allocated and with measures necessary for the security of the Occupation Forces therein. The Chinese Occupation Force will accomplish such ground patrol and surveillance tasks within allocated areas as may be directed. It will conduct such additional military operations outside normally allocated areas as may be directed by the Commanding General, Eighth United States Army. Military Government functions within areas allocated to the Chinese Occupation Force will be conducted by United States agencies as directed by the Supreme Commander for the Allied Powers. Relationships of the Chinese Occupation Force with the Japanese and routine security functions pertaining primarily to Eighth Army operations as a whole, will be prescribed by the Commanding General, Eighth United States Army.["]

[Here follow paragraphs on command organization, command and administration channels, and liaison.]

"3. *Areas of Responsibility.*

a. The Chinese Occupation Force will be initially allocated Aichi Prefecture, Honshu Island, for exercise of the functions and responsibilities in sub-paragraphs 2 a and b above. The area allocated to the

Chinese Occupation Force may be altered by the Supreme Commander for the Allied Powers as conditions dictate.

*b.* It is understood that Headquarters and other elements of the Fifth United States Air Force and elements of the Eighth United States Army will also be located in the areas allocated to the Chinese Occupation Force for exercise of its occupation functions.

*"4. Forces.*

*a.* It is understood that the strength of the Chinese Occupation Force will be determined by inter-governmental decision. It is also understood that the Chinese Occupation Force will maintain a basic organization of one Infantry Division with suitable ground service supporting elements and will probably total approximately 15,000 personnel.

*b.* It is understood that the Chinese Occupation Force may be withdrawn wholly or in part from Japan upon agreement between the Governments of the United States and China. It is also understood that progressive reduction will be made in the Chinese Occupation Force from time to time in conformity with progressive reductions in other Allied Forces in Japan. Size and composition of such reductions will be determined on a governmental level.

*c.* The Commanding General, Chinese Occupation Force, will provide the Supreme Commander for the Allied Powers with troop lists showing strengths in personnel, vehicles, animals, and equipment, upon final determination of the size and composition of the force. Unless otherwise specified by the Commanding General, Eighth United States Army, troops and supplies of the Chinese Occupation Force will disembark at the port of Nagoya.

*d.* It is understood that actual arrival dates of the units of the Chinese Occupation Force are subject to approval by the Supreme Commander for the Allied Powers.["]

[Here follow paragraphs on miscellaneous and logistics matters.]

*"7.* This agreement supersedes a similar agreement signed on 4 June 1946."<sup>14</sup>

The above arrangements are hereby accepted by the United States Government as the agreed basis upon which the Chinese force will proceed to and participate in the occupation of Japan.

By virtue of a contract signed by Shou Chin Wang, Chairman of the Chinese Supply Commission, and Chester T. Lane, Deputy Foreign Liquidation Commissioner, Department of State, on June 28, 1946, under Section 3(c) of the Lend-Lease Act, authority exists for the provision by the United States of logistical support for the Chinese Occupation Force which is beyond Chinese capabilities. The military authorities of the United States request that the Chinese Government deposit in advance for the credit of the War Department an operating logistical fund of \$5,000,000 to be reestablished quarterly in that amount. It is necessary that this sum be deposited immediately as there are no available funds within the authorized War Department budget to provide logistical support to the Chinese Occupation Force.

<sup>14</sup> Not printed.

I shall appreciate receiving your early confirmation that the arrangements set forth in the present note are acceptable to the Government of the Republic of China, as well as your assurance that the necessary steps have been taken to establish and maintain the \$5,000,000 logistical fund.

Accept [etc.]

DEAN ACHESON

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740.00119 PW/10-746

*Memorandum by the Acting Chief of the Division of Japanese Affairs  
(Borton) to the Director of the Office of Far Eastern Affairs  
(Vincent)*

[Extract]

SECRET

[WASHINGTON,] October 7, 1946.

In sharp contrast to the Far Eastern Commission, which has contributed positively to the occupation of Japan, the Allied Council has become little more than a forum for the exchange of mutual recrimination between the Chairman and the Soviet and British Commonwealth members respectively. The Allied Council has failed to perform a constructive role in the occupation. Differences among the Allies have been highlighted and the Japanese and the world have been treated to a series of public demonstrations of name calling ill befitting an international body set up to advise and consult with the Supreme Commander for the Allied Powers regarding the implementation of occupation policies.

It is clear that Soviet policy is directed toward criticizing unfavorably American conduct of the occupation and toward extending Soviet influence within Japan. To the extent that the occupation is hindered and obstructed by such Soviet activities it is obviously the duty of General MacArthur and of the American member of the Allied Council to defend American policy and American interests. However, it is questionable whether this defense is achieved by the tactics used in the Council meetings up to the present.

If there is to be in practice the give and take of advice and consultation as envisaged in the Moscow Agreement, it is essential that the spirit of the Moscow Agreement as well as its letter, be observed. The occupation should be defended on the basis of fact and accomplishment and it should not be necessary to use the sessions of the Council for ideological diatribe.

On one occasion Gen. Derevyanko, the Soviet member, presented to the Council a document critical of SCAP's labor policy. In answer, the Chairman stated that he saw in the Soviet document "the familiar signmarks of propaganda". Without objectively discussing the points raised by the Soviet member, Mr. Acheson confined his remarks to a



discussion of Communism and labor practices within the Soviet Union.

A few days after the meeting of the Council, SCAP's Labor Section issued a carefully prepared concise statement answering one by one the propositions put forward by Gen. Derevyanko. The Labor Section's report showed that a great many of the suggestions made by the Soviets had in fact already been put into practice by SCAP. It took pains to refute by argument certain other points advanced in the Soviet document but did not discuss Communism as an ideology. It is submitted that this document would have been a more effective answer to Gen. Derevyanko had it been introduced into the Council in place of the somewhat emotional reply made by the Chairman which, of course, because of its sensational nature, received far more publicity than the sober SCAP report.

Council sessions have been characterized more by heated exchanges of opinion than by a sober approach to the problems of the occupation. While the Soviet and British Commonwealth members must bear their share of responsibility for developments within the Council, the Chairman has frequently gone out of his way to make statements denouncing Russian policy and Communist ideology rather than presenting factual replies to questions raised by other members.

In the meeting on October 2, Mr. Atcheson made what the press called a "sharp attack" upon the Soviet member for his expressed doubts concerning the activities of the Demobilization Ministries. The Chairman called Gen. Derevyanko's charges "fantastic" although the press on the following day reported that SCAP had been investigating the activities of the Demobilization Ministries for a number of months on the basis of reports of underground activities. In addition to some insinuations regarding the 400 members of the Soviet member's staff in Tokyo and the 800,000 Japanese soldiers still in Soviet hands, the latter particularly inappropriate in view of the Soviet Government's recent agreement to undertake their repatriation, Mr. Atcheson is reported by the press to have remarked to the British member "I still continue to hope that the British Commonwealth member and I will see eye to eye on some subject on some occasion."

If it is SCAP's policy to counteract the ever more aggressive and penetrating activities of the Soviet representatives in Tokyo and to check the extension of Soviet influence in the Far East, the tactics of public discussion in the Allied Council do not appear to be the best means of accomplishing these ends. Instead the result may be that the Communist minority in Japan becomes even more solidified while supporters of the *status quo ante*, who are likewise enemies of true democracy, become strengthened and confident of the tacit backing of the occupation. In such a situation, those liberal elements to whom

we should look for leadership in the regeneration of Japan either renounce all activities or turn to the extreme Left.

On the record there is complete agreement between the United States and the USSR on policy objectives in Japan. We play the dominant role but are committed to international cooperation in the Allied Council and in the Far Eastern Commission. Our acts in Japan vis-à-vis the Soviets cannot fail to produce repercussions to our disadvantage in other parts of the world where we face the Soviet Union. We stand only to lose if we fan a fire where no fire is necessary.

Our best policy to accomplish the stated objectives of the occupation in Japan, which we assume still remain those enunciated at Potsdam and in subsequent policy directives, should be to work unceasingly toward the building of lasting foundations for a peaceful, democratic form of government. The success of the occupation will depend upon the structure which we build. If our building is good, we need not fear the attacks of Communism. Our security considerations in the Pacific are very real and we should be constantly vigilant that Japan remains disarmed and that our defenses are not weakened. The Japanese at present are in large majority anti-Russian and anti-Communist. If, in these circumstances, our own form of democracy is not virile enough to succeed in Japan, and if the Japanese are captured by the ideology of the Soviet Union, then the responsibility for not supplying that virility and for losing Japan to Communism must rest squarely with ourselves.

Gen. McCoy and members of the US delegation at the FEC have expressed anxiety over the situation in the Allied Council and have emphasized points similar to those discussed above. Mr. Thompson, Chief of EE, has read the above memorandum and has expressed his accord with the views presented. He states that he prepared a memorandum to you along similar lines for Mr. Hickerson's signature.

H[UGH] B[ORTON]

894.011/10-146

*Memorandum by the Assistant Secretary of State (Hilldring)  
to SWNCC*

[WASHINGTON,] October 7, 1946.

Subject: Opinion of United States Government and the Chairman of the Far Eastern Commission on Directive Relative to Further Policies Relating to a New Japanese Constitution.

With reference to the draft directive prepared on the basis of a policy decision unanimously approved at the 28th meeting of the Far Eastern Commission on September 25, 1946, relative to Further Policies

Relating to a New Japanese Constitution<sup>15</sup> and forwarded to the Secretary, SWNCC, it is requested that the enclosed message be forwarded to the Joint Chiefs of Staff for transmission to the Supreme Commander for the Allied Powers for his information.

J. H. HILLDRING

[Annex]

*Draft Message to SCAP*

It is the opinion of the Department of State and the chairman of the Far Eastern Commission that the directive sent to you in WAR . . . . . based on a policy decision of the Far Eastern Commission taken at its meeting of September 25 does not require any specific action by you. However, it has been forwarded to you as a directive in view of the obligation of the United States Government under paragraph III, 1, of the terms of reference of the Commission.

You will note that the Far Eastern Commission reaffirms its previous decision that all cabinet ministers should be civilians. The Commission had been informed of your action in persuading the Japanese Government to amend the Constitution accordingly and therefore it was clear that no further action was necessary. However, the United States member saw no objection to the Commission's going on record as reaffirming its previous decision.

With regard to the decision that the House of Councilors should not have predominance over the House of Representatives, you will note that the only action the Commission contemplates in this matter is to scrutinize the implementing legislation. Consequently, it is the opinion of the Department of State and the Chairman of the Far Eastern Commission that no action by you is required other than supplying the Commission with texts of such legislation when they are submitted to the Diet.

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894.011/10-846 : Telegram

*General of the Army Douglas MacArthur to the Chief of Staff  
(Eisenhower)<sup>16</sup>*

TOKYO, 7 October 1946 [—9:51 a.m.]

Z 20663. The House of Peers on 6 October by standing vote of 298 to 2 passed proposed new constitution for Japan with following amendments and revisions:

1. There are few minor changes in Japanese text of preamble, but they are stylistic changes only which do not alter English translation.

<sup>15</sup> FEC-087/9, September 25, sent as serial 60, October 10, to SCAP, and to the Far Eastern Commission on October 21.

<sup>16</sup> Copy transmitted to the Department by SWNCC at the request of the Joint Chiefs of Staff with memorandum SWN-4807, October 8, not printed.



2. Article 15 is revised to read: "The people have the inalienable right to choose their public officials and to dismiss them."

"All public officials are servants of the whole community and not of any special group."

"Universal adult suffrage is guaranteed with regard to the election of public officials."

"In all elections, secrecy of the ballot shall be preserved inviolate, nor shall any voter be answerable, publicly or privately, for the choice he has made."

3. Article 59 is revised to read: "A bill becomes a law on passage by both houses, except as otherwise provided by the Constitution."

"A bill which is passed by the House of Representatives, and upon which the House of Councillors makes a decision different from that of the House of Representatives becomes a law when passed a second time by the House of Representatives by a majority of  $\frac{2}{3}$  or more of the members present."

"The provision of the preceding paragraph does not preclude the House of Representatives from calling for the meeting of a Joint Committee of both houses, as provided for by law."

"Failure by the House of Councillors to take final action within 60 days after receipt of a bill passed by the House of Representatives, time in recess excepted, may be determined by the House of Representatives to constitute a rejection."

4. Article 66 is revised to read:

"The Cabinet shall consist of the Prime Minister, who shall be its head, and other ministers of state as provided for by law."

"The Prime Minister and other ministers of state shall be civilians."

"The Cabinet, in the exercise of executive power, shall be collectively responsible to the Diet."

House of Representatives this date by standing vote of 342 to 5 adopted new version with amendments approved by Upper House. Prior to this final action by House of Representatives members of Lower House Constitution Committee had deliberated of [on?] all changes adopted by House of Peers."

This ends all legislative action on constitution.

Action by Privy Council and date of promulgation will be reported. Promulgation not expected prior to 20 October.

[MACARTHUR]

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740.00119 Control (Japan)/10-846

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

CONFIDENTIAL

No. 639

TOKYO, October 8, 1946.

[Received October 22.]

SIR: I have the honor to refer to this Mission's despatch no. 615, September 26, 1946,<sup>17</sup> on the subject of the Fifteenth Meeting of the Allied Council for Japan, held on September 18, 1946 and to enclose a copy

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<sup>17</sup> Not printed.

of a letter dated September 30, 1946, from myself,<sup>18</sup> as Chairman and Member for the United States, to Lieutenant General K. N. Derevyanko, Member for the Union of Soviet Socialist Republics in regard to the question of his requests for information.

As indicated in the reference despatch, an endeavor was made during the meeting of September 18 to satisfy the Soviet Member's request for information concerning the Demobilization Board and the progress made in the destruction of Japanese armaments and war materials. During the meeting the Soviet Member stated that my information was very brief and of a general nature. He also indicated that he would request General Headquarters to furnish additional information in reply to specific questions which he had placed on the Agenda.

It has been the invariable experience of General Headquarters and of this Mission that the Office of the Soviet Member has virtually ignored requests for information especially desired by the Supreme Commander in the discharge of his responsibilities and directly connected with the Occupation. In a few cases in which replies have been received from the Soviet group, the information furnished has been superficial and largely of a negative character.

With the dual purpose of discouraging the Soviet Member from using the Council to obtain detailed intelligence concerning Japan and the Occupation forces, as well as of placing the matter on the record, I addressed the letter of September 30 to General Derevyanko, with the concurrence of General MacArthur.

It is clear from the Soviet Member's statement at the Sixteenth Meeting, held on October 2, 1946 (see Verbatim Minutes of the Sixteenth Meeting, forwarded as an accompaniment with our despatch no. 638, October 8, 1946<sup>18</sup>) that the subject of the Demobilization Board was placed on the Agenda with a view to making a false attack upon the Occupation authorities.

Respectfully yours,

GEORGE ATCHESON, JR.

711.94/8-1046

*Memorandum by the Assistant Chief of the Division of Japanese Affairs (Emmerson)*<sup>19</sup>

[WASHINGTON,] October 9, 1946.

The conclusion drawn by the Embassy's memorandum<sup>20</sup> seems to be that Japan faces one of two political alternatives: domination by the

<sup>18</sup> Not printed.

<sup>19</sup> Addressed to the Director of the Office of Far Eastern Affairs (Vincent) and to the Acting Chief of the Division of Japanese Affairs (Borton).

<sup>20</sup> August 10 by the First Secretary of Embassy in the Soviet Union (Davies), p. 285.

United States or capture by the Soviet Union. Any assumption that Japan, as a neutral, self-sufficient nation, can enjoy friendly relations with both the United States and the USSR is called a delusion. Consequently our choice appears to be narrowed to that of building a "place d'armes" against the Soviet Union or facing one built against ourselves.

Before United States policy toward Japan is reduced to such simple terms, it would seem desirable to explore the implications of such a policy and the methods which we should have to use if it is to be carried to its logical conclusion.

From the signing of the Potsdam Declaration to the issuance of the draft treaty for the disarmament and demilitarization of Japan, the United States Government has been consistent in advocating the complete destruction of Japan's military potential. American security requirements in the Pacific will presumably be fulfilled by the removal of Japan as a threat to peace and through our naval power including strategic bases in former Japanese mandated territories. Arming Japan as a security measure would not only be contradictory to our enunciated policy but would be of dubious validity and effectiveness. Post-occupation military control in Japan, beyond that necessary for insuring compliance with the terms of a disarmament treaty, would be inconsistent with the principal objectives of the occupation and would destroy all faith of the Japanese in the sincerity of our motives.

If the Soviet Union is to construct a "place d'armes" against us in Japan, it must win the Japanese people to its support and it must succeed in building up in Japan military potential useful to it in war against the United States. Without doubt the Kremlin will intensify its propaganda effort in Japan and will hope that the Japanese Communist party will grow in power and influence. No one can predict the future of Communism in Japan. Against economic adversity which may encourage its development must be weighed the long-standing natural antipathy of the Japanese toward Soviet Russia, a long-conditioned fear of Communism, and the inept leadership of the present party (with one brilliant exception, Nosaka). The Soviets must first overcome the Japanese resentment at what they consider a stab in the back on the eve of Japanese capitulation and the ill will engendered by Soviet failure so far to repatriate Japanese troops captured in Russian territory. However, if the USSR is successful and the Japanese Communist party becomes a political force to be reckoned with, the military domination of Japan by the Soviet Union is yet a more difficult task. Should such a threat appear during the post-occupation period, the United States, through its participation in the control and inspection machinery operative in Japan at the time,



could not fail to be aware of such a development and would be in a position to take the necessary action.

The long range objectives of American policy in the Far East will be best served by vigorous and unswerving pursuit in Japan of the objectives already set before us. Our acts in Japan should not be conditioned by a fear of Communism so strong that we lean toward the very elements we have set out to destroy. We shall assure ourselves of a "favored position" in Japan if we succeed in effecting lasting reforms, in giving impetus to a genuine liberal movement, and in starting the process of democratization in Japanese education. Then, perhaps, will Japan become neither a "place d'armes" for the Soviet Union nor a "place d'armes" for the United States.<sup>21</sup>

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694.0031/10-1046

*Memorandum by the Assistant Secretary of State (Hilldring) to the Secretary of SWNCC (Moseley)*

WASHINGTON, October 16, 1946.

Subject: Policy Decision of Far Eastern Commission Establishing Terms of Reference of the Inter-Allied Trade Board for Japan.

There is enclosed a draft message to the Supreme Commander for the Allied Powers comprising the policy decision of the Far Eastern Commission, establishing the Terms of Reference of the Inter-Allied Trade Board for Japan, which was unanimously approved by the Far Eastern Commission at its 29th meeting on October 10, 1946, and also the statement made by the United States representative in approving the policy decision.

It is requested that the enclosed draft message be forwarded to the Joint Chiefs of Staff for transmission to General MacArthur for his information.

J. H. HILLDRING

[Annex]

*Draft Message for General of the Army Douglas MacArthur*

The following decision of the Far Eastern Commission establishing, at the request of the United States Government, the Terms of Reference of the Inter-Allied Trade Board for Japan was unanimously

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<sup>21</sup> On November 20 Mr. Emmerson asked Mr. Vincent to "intimate to me whether I am all wet in my comments on John Davies' memo?" (Revision of the policy statement on Japan was under consideration.) Mr. Vincent replied: "You are not—you are crisp, crystal clear, and right." General Hilldring also commented as follows: "Emmerson is absolutely right. I recommend that we disregard the Moscow memorandum. J H H." (711.94/8-1046)

approved by the Far Eastern Commission at its 29th meeting on October 10, 1946:

[Here follows text of decision printed as Appendix 31 in Department of State Publication 2888, Far Eastern Series 24 (Washington, September 1947), page 85, entitled *Activities of the Far Eastern Commission; Report by the Secretary General, February 26, 1946-July 10, 1947.*]

In approving the above, the United States representative asked that the following statement be included in the minutes of the Commission meeting:

"The United States Government will in general accept recommendations of the Inter-Allied Trade Board for Japan made in accordance with its terms of reference. Exceptions will be made only in cases when in the view of the United States Government acceptance of a recommendation would be inconsistent with the attainment of the objectives of the occupation.

"The United States Government notes the last sentence of paragraph 3 which requires that recommendations of the Board involving matters of policy be approved by the Far Eastern Commission. Since all actions of the Board are recommendations to the United States Government, the United States Government is not, by this provision, precluded from taking action on matters of urgency pending consideration by the FEC. This position is in line with the Terms of Reference of the Far Eastern Commission which permit the United States Government to issue interim directives in cases of emergency, subject to subsequent review by the Far Eastern Commission."

In accordance with the above Terms of Reference the U.S. Government has transmitted a note to each of the Governments represented on the FEC requesting the appointment of a representative to the Inter-Allied Trade Board for Japan and enclosing the Terms of Reference.<sup>22</sup>

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740.00119 Control (Japan)/10-1646: Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

URGENT

TOKYO, October 16, 1946.

[Received October 16—5:15 p. m.]

469. 1. Following is excerpt from stenographic record of this morning meeting of Allied Council:

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<sup>22</sup> The notes were dated October 16, 1946, and were sent to the ten other members of the Far Eastern Commission (694.0031/10-1046). Replies naming appointees to the new trade board were received from India (October 21), Canada (October 22), Netherlands and Australia (October 23), Philippines (October 24), France (October 26), New Zealand (October 29), and United Kingdom (November 5). The first meeting of the trade board was scheduled for October 24, 1946, 3 p. m. (694.0031/10-2246) China also was represented on the board; for the members, see Department of State Publication 2888, p. 44.

"The Chairman: The Soviet Member has made some very broad statements and allegations apparently based chiefly upon newspaper reports. I do not know whether it is his intention to show that the elections of April 10 were a failure or not. For my part, I consider that they were a great success. As a matter of fact, those elections conducted under the close observation of the occupying forces were remarkably free of major corruption or irregularity. As stated by the Chief of the govt section<sup>23</sup> in his report of April 22, it demonstrated to the people of the world a free, honest and orderly election, such as few, if any, of the western democracies can boast to a more complete degree. Both the investigation of violations of the law and the action taken thereon were, of course, a matter of internal administration by the Japanese Govt. It is understood that as a result of the action by the Japanese Govt, the prosecution of approximately 1,000 such cases resulted in sentences ranging from fines to imprisonment. (. . .<sup>24</sup>) With 1,000 prosecutions arising out of the voting of 26,000,000 people, I think that the Japanese Govt can be proud of its record in the conduct of these elections. According to the reports received, not a single candidate was affected by irregularities at the polls. I concur with the view of the chiefs of the govt. section that in all probability in no country having free elections can a record of better efficiency in the conduct of these elections be shown. I may say that I often wonder at the continued allegations and charges made against the Japanese authorities in connection with their efforts under the occupation. They seem never in this Council to receive credit for the good work that they do. The occupation authorities are endeavoring to assist the Japanese people in building a new nation for membership in the world commonwealth under law which we envisage for all peace loving peoples. When a job is well done, I think that they merit some credit. I think for example that the Japanese Govt in carrying out the purge directive accomplished its task in a very admirable manner on the whole. In passing, in connection with the Soviet member's mention of the election of members subject to purge, I would like to repeat what I have said a number of times here, that if any member has any evidence of illegal activities on the part of Japanese agencies or Japanese officials, the Supreme Commander would greatly appreciate receiving it without delay. And again, on the question of the activities of the Japanese Govt under the occupation, I would say that the occupation authorities, by their attitudes and policies and their ideals have obtained ready and willing Japanese cooperation. In fact, the time has come when Japanese aims have become virtually identical with Allied aims. It seems to me that if this Council is to have influence upon the Japanese and is to set an example to the Japanese, that we ourselves must always be just and fairminded men."

2. It is understood some correspondents are playing up remark in regard to Japanese and Allied aims as a new statement of American policy. No statement of policy was made and none was intended.

<sup>23</sup> Brig. Gen. Courtney Whitney, U.S. Army.

<sup>24</sup> Omission indicated in the original.



What was made was a statement of fact, as we in this headquarters see it, that the Occupation authorities receive willing cooperation from the Japanese because the Japanese have come to realize that the Allied objectives are in Japan's interests as well as ours and that accordingly they are seeking the same goals.

ATCHESON

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894.011/10-1746

*Excerpt From the Minutes of the 30th Meeting of the Far Eastern Commission on October 17* <sup>25</sup>

CONFIDENTIAL

ITEM 4—PROVISIONS FOR THE REVIEW OF A NEW JAPANESE CONSTITUTION  
(FEC-031/40)

GENERAL MCCOY said that informal consultation participated in by the Australian, Soviet, and United States representatives had resulted in the agreement by those three on the present version of the review paper.

MR. MAKIN <sup>26</sup> said that the only remaining difference of opinion was as to the time of announcement to the Japanese of the adoption of the review principle. He recalled that ever since the original proposal for review was made by Dr. Evatt the general opinion on the Commission had been that announcement should follow immediately upon adoption of the policy by the Commission. The United States Government, however, had since doubted the wisdom of this course and had advocated postponement of announcement. The Australian view, he continued, was that announcement of the policy should take place immediately following its adoption. To delay announcement, he pointed out, might lay the Commission open to the charge from the Japanese that it had broken faith by not declaring to them the existence of the review provision, particularly since the Japanese were planning elaborate ceremonies to celebrate the new constitution.

Despite this conviction on the part of his government, MR. MAKIN said, he was prepared, in order to secure unanimous adoption of the paper, to consent to delay in the time of the announcement to the Japanese of adoption of the policy. He agreed that the Supreme Commander should be consulted on the question of publication. He urged, however, that such announcement take place as soon as possible, and that it not be delayed later than the date of promulgation of the constitution.

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<sup>25</sup> Copy transmitted to the Department in letter of October 17 from the Secretary General of the Far Eastern Commission (Johnson), not printed.

<sup>26</sup> N. J. O. Makin, Australian Ambassador and representative on the Far Eastern Commission.

SIR CARL BERENDSEN expressed general agreement with the views of Mr. Makin. He also expressed general agreement with the present document and was, indeed, pleased to see that the Commission had reached an agreement on the affirmation of the principle of review. He asked what difficulties the United States Government now saw in connection with the immediate announcement of the adoption of this paper. He conceded that it would have been unwise to announce such a policy while the constitution was under consideration by the Japanese Diet and he granted, furthermore, that it might be unwise to announce the decision before promulgation of the constitution. However, he said, he could not understand why the United States Government deemed it unwise to announce the review principle at the time of promulgation, and he asked for an explanation of the United States position on this point. GENERAL MCCOY replied that numerous reasons had existed for the United States position. One of these reasons had been consideration for the difficult position of the Supreme Commander who had felt that nothing should be done which, in the eyes of the Japanese, would condemn a constitution at the moment of its adoption by them. Other reasons for the United States position had been of a legal nature, and these points had now been met by the present version of paragraph 1.

GENERAL MCCOY presented the following formal statement :

“At the meeting of the Commission on September 21st, I stated that my Government is prepared to accept the Review paper provided that the Commission at some subsequent meeting and after obtaining the view of the Supreme Commander will consider the time and manner of issuance of the policy decision embodied in the paper. That is: if the pending paper is approved by the Commission, as we trust it will be, the next step, after transmitting this paper as a policy decision to the United States Government for communication as a directive to the Supreme Commander, will be to request the views of the Supreme Commander as to the time and manner of issuance of this policy decision. After the views of the Supreme Commander have been received, the Commission will then be in a position to consider the time and manner of the issuance of this policy decision.

“After this Review paper is passed, I should be pleased to be authorized to consult with the Supreme Commander in order to obtain his views on this subject.”

DR. PATTERSON <sup>27</sup> asked whether the reservation respecting “issuance” meant that the forwarding of a directive to the Supreme Commander would be delayed. GENERAL MCCOY replied that the directive to the Supreme Commander would go forward immediately, but that the time of issuance in Japan and publicity was a question for continued

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<sup>27</sup> George S. Patterson, Canadian alternate member of the Far Eastern Commission.

consideration when the views of the Supreme Commander had been received.

GENERAL MCCOY moved and MR. MAKIN seconded the motion that the Commission adopt FEC-031/40, with the understanding that the Chairman be authorized to consult with the Supreme Commander as to the Supreme Commander's views regarding the time and manner of issuance of the policy decision and that after the Supreme Commander's views had been received the Commission would reconsider the time and manner of such issuance. The motion was carried unanimously.

GENERAL MCCOY said that the foregoing views of Mr. Makin and Sir Carl Berendsen would be communicated to the Supreme Commander at the time of requesting his views as to the time and manner of issuance of the policy decision.<sup>28</sup>

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740.00119 FEAC/10-1846: Telegram

*Mr. Choibalsan to the Secretary of State*

ULAN BATOR via Moscow, undated.

[Received October 18, 1946—9: 24 p. m.]

YOUR EXCELLENCY: The Government of the Mongolian People's Republic has the honor to request the Council of Foreign Ministers to include a representative of the Mongolian People's Republic in the Far Eastern Commission, set up in accordance with the decision of the Moscow Conference of Foreign Ministers. The Government of the Mongolian People's Republic is basing this request on the decision of the Moscow Conference of Foreign Ministers, that runs as follows:

The membership of the Commission may be increased by agreement among the participating powers as conditions warrant by the addition of representatives of other United Nations in the Far East or having territories therein.

Applying to the Council of Foreign Ministers with a request to include a representative of the Mongolian People's Republic in the Far Eastern Commission, the Government of the Republic considers it necessary to draw the attention of the Council of Foreign Ministers to the following facts:

That since June 1941 the Mongolian People's Republic has entirely taken the side of the United Nations in their struggle against Fascist aggressors and had rendered assistance to the Red Army, by all resources at its disposal, from the very beginning of the war against Germany up to the complete victory over it.

That the Mongolian People's Republic in the course of all its existence, i.e. since 1921, has been one of the bulwarks of peace in the Far

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<sup>28</sup> The communication was sent to SCAP on October 29 and a copy of it to the Far Eastern Commission on November 7.



East and represented a considerable barrier against the expansion of the aggressive plans of Japanese Imperialists who wished to penetrate deep into Asia and against their designs to seize the western and the northern parts of China and some territory of the USSR.

That as a result of the above the whole of the Mongolian People's Republic had been constantly in a state of mobilization and ready to resist Japanese aggressors.

That since 1935 as a result of ferocious armed attacks by Japan on our territory in the regions of Khalkhin-Sume, Buir-Nur, Bhulan-Dersu and Khalkhin-Gol, the Mongolian People's Republic and its people have suffered considerable losses in men and material.

That the Mongolian People's Republic, being one of the bulwarks of democratic countries in the Far East in their struggle against Fascist aggression and for the cause of peace and security in the world, on the 10th of August, 1945, declared war on Japan and sent against it an army of 80,000 men, which, acting in cooperation with the Red Army units, made a celebrated march across the Gobi Desert and the great Khinghan mountains and destroyed fortified areas at the approaches to Kalgan, Dolonnor and Jehol.

All this gives to the government of the Mongolian People's Republic a firm hope that the Council of Foreign Ministers will take into consideration the contribution made by the Mongolian people to the cause of the United Nations and include a representative of the Mongolian People's Republic in the Far Eastern Commission.

The present telegram is being sent simultaneously to all other members of the Council of Foreign Ministers.<sup>29</sup>

I avail myself of this opportunity to request Your Excellency, on behalf of the Government of the Mongolian People's Republic and of myself, to accept the assurances of highest consideration.

CHOIBALSAN

*Prime Minister and Minister of Foreign Affairs  
of the Mongolian People's Republic*

894.628/10-1846

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

RESTRICTED

No. 657

TOKYO, October 18, 1946.

[Received November 1.]

SIR: I have the honor to enclose<sup>30</sup> a copy of a letter with a supporting memorandum from the Central Liaison Office of the Japanese Gov-

<sup>29</sup> In a memorandum of conversation with a member of the French delegation to the Far Eastern Commission on October 30, 1946, the Deputy Director of the Office of Far Eastern Affairs (Penfield) stated that "we intended to take no action for the time being on Choibalsan's telegram", since the Mongolian People's Republic was not a member of the United Nations. The French held a similar view. (740.00119 FEAC/10-3046)

<sup>30</sup> Enclosures not printed.

ernment, dated September 13, 1946, to General Headquarters, Supreme Commander for the Allied Powers, in which it is requested by the Japanese Government that Japanese fishing interests be permitted to operate in the seas off both sides of Kamchatka Peninsula, northwestern part of Bering Sea, and waters around the Kurile Islands. In previous years the Japanese have conducted extensive operations in these areas in part based upon treaty arrangements with Soviet Russia and in part as high seas activities.

There is also enclosed a memorandum from the Natural Resources Section to the Diplomatic Section on this subject. In this memorandum the belief is expressed that interests of the United States would be strenuously opposed to any Japanese fishing operations in the Bering Sea or areas in the vicinity of the Aleutian Islands. It therefore appears to us doubtful that it would be desirable for General Headquarters, Supreme Commander for the Allied Powers, to forward this request to the Soviet representative in Japan in spite of the emphasis which the Japanese Government has placed on the acute need for additional food supplies and in spite of previous Japanese treaty arrangements with Soviet Russia to fish in these areas.

In this connection it will be recalled that, as reported in our Despatch No. 481, subject "Extension of Japanese Fishing and Whaling Areas," dated July 1, 1946, the Soviet Government refused an earlier Japanese request to operate fisheries concessions in this general area.

The question of Japanese fishing operations, both on the high seas and in waters of Allied nations, is of such controversial nature and of such international interest that the views of the Department are respectfully requested in the premises.

Respectfully yours,

GEORGE ATCHESON, JR.

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894.011/10-1746

*Memorandum by the Assistant Secretary of State (Hilldring)  
to SWNCC*

[WASHINGTON,] October 24, 1946.

Subject: Draft Directive Regarding Provisions For the Review of a New Japanese Constitution.

There is enclosed a draft directive prepared on the basis of a policy decision unanimously approved at the 30th meeting of the Far Eastern Commission on October 17, 1946, under the provisions of paragraph II, A, 1, of its Terms of Reference. It will be noted that this policy decision is quoted verbatim in the enclosed draft directive.

It is requested that the enclosed directive be forwarded to the Joint Chiefs of Staff for transmission to General MacArthur for his guidance in accordance with paragraph III, 1, of the Terms of Reference of the Far Eastern Commission. It is assumed that if the Joint Chiefs of Staff have any question regarding the draft directive they will refer the matter to the State Department for clarification before transmitting a directive on the subject.<sup>31</sup>

J. H. HILLDRING

[Annex]

*Draft Directive Regarding Provisions for the Review of a New Japanese Constitution*

FEC-031/40

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 17 October 1946 under the provisions of Paragraph II, A, 1, of its Terms of Reference, has been received from the State, War, and Navy Departments for transmission to you for your guidance in accordance with Paragraph III, 1, of those Terms of Reference:

"1. The new constitution, which will in due season after promulgation become the legal successor of the present constitution with such changes as have been made or may be made as a result of consideration and policy decision of the Far Eastern Commission, shall be subject to further review by the Diet and the Far Eastern Commission in terms of the following paragraph.

"2. In order that the Japanese people may have an opportunity, after the new constitution goes into effect, to reconsider it in the light of the experience of its working, and in order that the Far Eastern Commission may satisfy itself that the constitution fulfills the terms of the Potsdam Declaration and other controlling documents, the Commission decides as a matter of policy that, not sooner than one year and not later than two years after it goes into effect, the situation with respect to the new constitution should be reviewed by the Diet. Without prejudice to the continuing jurisdiction of the Far Eastern Commission at any time, the Commission shall also review the constitution within this same period. The Far Eastern Commission, in determining whether the Japanese constitution is an expression of the free will of the Japanese people, may require a referendum or some other appropriate procedure for ascertaining Japanese opinion with respect to the constitution."

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<sup>31</sup> The directive was sent to SCAP as serial 62, October 28, 1946, and to the Far Eastern Commission on November 5.



FE Files (Peace Treaty)

*Memorandum by Miss Ruth E. Bacon, Special Assistant to the Director of the Office of Far Eastern Affairs (Vincent)*<sup>32</sup>

SECRET

### WORKING GROUP ON JAPAN TREATY

NOTES ON MEETING OF FRIDAY, OCTOBER 25, 1946<sup>33</sup>

#### I. *Demilitarization*

*Generally agreed:*

To take Article I of the 25-year treaty as basis for provisions in the draft treaty with alterations (1) to make provisions binding upon Japan and (2) to integrate control machinery with other provisions of draft treaty relating to controls.

*Questions still outstanding:*

Should disarmament provisions be made binding upon Japan in perpetuity (duration of peace treaty) or be synchronized with duration of control machinery, or be subject to modification by agreement?

#### II. *Control Machinery*

*Generally agreed:*

(1) that the Working Group should operate on the assumption that the Japanese treaty would be concluded sometime during the fall of 1947, this assumption to be subject to revision in the light of developments.

(2) that provisions relating to control to be included in the treaty should take into account two periods: (a) pending withdrawal of military forces and (b) pending withdrawal of remaining controls.

*Questions outstanding:*

(1) Should the control authority to be established under the treaty have supreme authority similar to that now possessed by SCAP?

(2) In the light of answer to question (1) above, is the conclusion of a peace treaty with Japan in the near future in the best interests of this country?

(3) Should the proposed new control council or commission be established in Tokyo or Washington?

(4) Should the proposed new control council or commission be an outgrowth of the FEC or a new start? Might consultations at the ambassadorial level in Washington take the place of more formalized machinery?

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<sup>32</sup> Copies to Messrs. Borton, Emmerson, Hunsberger, and Martin.

<sup>33</sup> This was the first of a series of meetings dealing with the Japanese peace treaty.

### III. *Question of What States are to sign, et cetera*

#### *Generally agreed:*

(1) that this question should be broken down to include successive stages: preparation of draft; discussion of draft with formulation of recommendations; preparation of final draft; signatories; approvals essential to bring treaty into force.

(2) that the original draft of the treaty would probably be prepared either by the Big Four or by the FEC.

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740.00119 Control (Japan)/10-3146

*Appendix "C" (Conclusion) of SWNCC 331, October 14, as Amended October 31* <sup>34</sup>

CONFIDENTIAL

#### SUPPLY OF FOOD FOR CIVILIAN RELIEF IN JAPAN

1. The Far Eastern Commission hereby confirms the general policies with respect to the supply of food for civilian relief in Japan adopted by the U. S. Government in the fall of 1945 and transmitted to the Supreme Commander for the Allied Powers to be in effect so long as the present acute world food shortage exists. The substance of these policies is as follows:

*a.* The objectives of the relief policy of the United States are to prevent such starvation and widespread disease and civil unrest as would (1) clearly endanger the occupying forces, and (2) permanently obstruct the ultimate objectives of the occupation.

*b.* The Supreme Commander should make it clear to the Japanese people that:

(1) The Supreme Commander assumes no obligations to maintain, or to have maintained, any particular standard of living in Japan, and

(2) That the standard of living will depend upon the thoroughness with which Japan rids itself of all militaristic ambitions, redirects the use of its human and natural resources wholly and solely for purposes of peaceful living, administers adequate economic and financial controls, and cooperates with the occupying forces and the governments they represent.

*c.* The Japanese authorities will be expected to develop and effectively carry out programs of working activity that will enable them out of their own resources and labor to accomplish the following:

(1) to avoid acute economic distress.

(2) To assure just and impartial distribution of available supplies.

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<sup>34</sup> The Joint Chiefs of Staff were requested to transmit copy of this statement to SCAP; copy was sent on November 8 to General McCoy who was authorized to propose adoption of the statement by the Far Eastern Commission (740.00119-Control (Japan)/10-3146).

In order to achieve these aims, the Japanese authorities will have to make the utmost effort to maximize production of agricultural and fishery products, coal, charcoal, housing repair materials, clothing and other essentials. In the event that they fail to do so, the Supreme Commander should direct them to take such measures as in his judgment are necessary.

d. The Supreme Commander should assure that all practicable economic and police measures are taken to achieve the maximum utilization of essential Japanese resources in order that imports into Japan may be strictly limited. Such measures will include production and price controls, rationing, control of black markets, fiscal and financial controls and other measures directed toward full employment of resources, facilities and means available in Japan.

e. The Supreme Commander should be responsible for providing imported food supplies only to supplement local resources and only to the extent supplementation is needed to prevent such widespread disease or civil unrest as would endanger the occupying forces or permanently obstruct the ultimate objectives of the occupation.

f. Production of food crops should be maximized. Supplies of fertilizers should be made available. The production of farm tools and implements in short supply should be encouraged. Special attention should be given to encourage production and sale of incentive goods to induce farmers and other food producers to move their produce to market. The existing dispersion of persons from food deficit areas to food surplus areas should be prolonged, exceptions being made for people of needed special skills.

2. The Far Eastern Commission recommends to its member governments that as a matter of policy they take no step which would have the effect of providing imports of food to the Japanese which would represent priority or preferential treatment for the Japanese over the requirements of the peoples of any Allied power or liberated area, except to the extent that the Supreme Commander for the Allied Powers has determined that imports into Japan are essential for the safety of the occupation forces. This policy shall remain in effect during any period of acute world food shortage.

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894.011/11-546

*Memorandum by the Chief of the Division of Japanese Affairs  
(Borton)*<sup>35</sup>

[WASHINGTON,] November 5, 1946.

Subject: Time and Manner of Issuance of Far Eastern Commission  
Policy Statement on Review of Constitution.

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<sup>35</sup> Addressed to the Director of the Office of Far Eastern Affairs (Vincent) and to Mr. Ernest A. Gross, Special Assistant to the Assistant Secretary of State (Hilldring).



In my report on pending problems on Japan of November 4,<sup>36</sup> I noted that the Chairman of the FEC had requested, at the FEC meeting of November 1, that Committee #3<sup>37</sup> prepare a statement for the Chairman to use as basis for a consultative message between the Chairman and SCAP on the question of issuance. Committee #3 met on November 5 at which time the following arose:

(1) After general discussion of SCAP's reply to FEC<sup>38</sup> in which he strongly recommended against publication of the policy decision at least for a year, the Committee decided to transmit for SCAP's information verbatim extracts of the minutes of FEC meetings of October 31 and November 1, with a view to informing him of the reasons why several members of the Commission favor issuance by SCAP of the FEC decision in the immediate future.

(2) The United Kingdom member proposed that a policy decision of the Commission be transmitted to SCAP as follows: "The Commission considers that it is now necessary to acquaint the Japanese with the terms of the policy decision of October 17th and request the United States Government to direct SCAP to communicate the terms of the Commission policy formally to the Japanese Government before the date of the meeting of the special session of the Diet on November 25."

(3) There was considerable difference of opinion as to whether discretion should be left to SCAP and the Japanese Government to determine whether the Japanese people should be told that any such decision was that of the Far Eastern Commission. No decisive vote was taken on this point.

(4) Representatives of China, the Netherlands, the Philippines, and the United States concurred in the proposal that further consultation be undertaken with SCAP on the time and manner of issuance of the policy decision and that his views be obtained on the various alternative methods as to how the statement might be issued.

(5) This proposal was opposed by other members of the Committee who argued that such consultation had already taken place and had produced no favorable result, that SCAP's message disregarded the decision of the Commission and implied that he was opposed to the policy decision, and that if any action was to be taken on November 25 there was not sufficient time for consultation.

(6) The Committee voted 7 to 4 in favor of a policy decision being issued to SCAP by the U.S. Government ordering him to inform the

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<sup>36</sup> Not printed.

<sup>37</sup> Constitutional and Legal Reform, Sir Girja Shankar Bajpai of India, chairman.

<sup>38</sup> November 1; for text, see annex to General Hilldring's memorandum of November 7, *infra*.

Japanese Government of the contents of the FEC decision on review of the Constitution.

(7) The divergent views of the Committee will be presented to the Commission when it next meets, probably on November 14.

It was obvious from the tone of the discussion that many members of the Commission, notably U.K., Australia, France, New Zealand and U.S.S.R. feel strongly that a further directive should be sent to General MacArthur covering the question of time and manner of issuance of the policy on review of the Constitution. The question arises as to whether:

(1) U.S. member of the FEC should be instructed by SWNCC to veto any attempt to issue a policy decision on the question of time and manner of issuance of the review paper;

(2) SWNCC should prepare a draft of a consultative message to SCAP on this subject which would be acceptable to the United States and which could be submitted to the Commission at its next meeting;

(3) Any other alternative action should be taken.

H[UGH] B[ORTON]

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894.011/11-446

*Memorandum by the Assistant Secretary of State (Hilddring) to the Chairman of the Far Eastern Commission (McCoy)*

[WASHINGTON,] November 7, 1946.

With reference to the consultative message of the Chairman of the Far Eastern Commission to the Supreme Commander for the Allied Powers, dated October 29, 1946,<sup>39</sup> regarding the time and manner of issuance of the Far Eastern Commission policy decision on the Provisions for the Review of a New Japanese Constitution, there is enclosed a copy of a message from the Supreme Commander for the Allied Powers dated November 1, 1946.

It is requested that the Chairman make this message available to the members of the Far Eastern Commission.

J. H. HILDRING

[Annex]

*Reply by General of the Army Douglas MacArthur on November 1*

I have received the suggestion of the Far Eastern Commission that its policy decision [regarding Provisions for the Review of a New

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<sup>39</sup> See footnote 28, p. 344.

Japanese Constitution] might be made public. The purpose underlying such a suggestion is obscure. As the policy decision in reference merely provides that some time after 18 months and before 30 months "The situation with respect to the new constitution should be reviewed by the Diet"; that the Far Eastern Commission shall review the constitution within the same period; and that the Far Eastern Commission may require a referendum or some other appropriate procedure for ascertaining Japanese opinion with respect to the constitution; it prescribes no action whatsoever for at least 18 months or until the new constitution has been in effect for one year. It is unrealistic in its failure to recognize the inescapable facts that by its very terms the constitution is constantly before the Diet from its effective date for any change or amendment that experience may suggest or otherwise may be proposed, and that the power of review or alteration of the instrument, or the enforcement of any measure to subject it to additional tests of public opinion, is inherent in the power of occupation itself, and will so remain as long as the Allied Control of Japan is maintained.

Throughout the development of the new constitution, action has been largely avoided which might be construed as compulsory process in order that nothing might negate or compromise the free character essential if the instrument is to live. The publication of referenced statement of policy on the other hand would inevitably result in just what we have thus scrupulously tried to avoid. And for what purpose? It would instantly be viewed in the public mind as a display of force by the Allied Powers. It would destroy the free character of the Charter and its expression of the popular will by the coercive threat of external force thereby implied. It would reduce the very essence of durability upon which the instrument has been built to a frail skeleton of temporary expedience overshadowed by the threat of forced abrogation or revision at the point of Allied bayonets, with an open and continuing invitation to the forces of reaction to conserve and extend their political strength against the time that, taking advantage of its very terms, pressure might be brought upon the Diet or the people direct to destroy the constitution and restore the old order which Allied policy seeks permanently to suppress.

As the harmful effect of such publicity is as patently clear as any benefit therefrom to the Allied case is obscured, I most strongly recommend against any such procedure at least until the proposed year of experience has passed and the Far Eastern Commission feels that the situation then existing calls for affirmative action.



740.00119 Control (Japan)/11-1846

*Memorandum by Mr. Robert A. Fearey of the Division of  
Japanese Affairs*<sup>40</sup>

TOP SECRET

[WASHINGTON,] November 18, 1946.

The attached despatch from Mr. Atcheson,<sup>41</sup> which I suggest you read in full, reports growing concern on the part of General MacArthur and his staff over the increasingly hostile attitude of the Chinese Government toward the occupation, as evidenced by the attitude and activities of official Chinese representatives in Japan and the official or semi-official Shanghai press. Members of the Chinese Mission appear engaged in a concerted attempt to undermine American prestige and policies in Japan and to increase Chinese prestige and influence, and there is indication that the Chinese member of the Allied Council is partly responsible for the misrepresentations and misstatements of fact upon which the Shanghai press accounts have been based. General MacArthur has expressed puzzlement to Mr. Atcheson a number of times over the noticeable lack of Chinese co-operation and support, especially in the light of the far-reaching diplomatic and material assistance which the United States has so long provided and is continuing to provide China.

The attached press comment of November 1 by Tillman Durdin to the *New York Times*, together with a memorandum of conversation October 25 between Mr. Barnett, American member of the FEC Reparations Committee, and Dr. Wang, Chinese member of that committee,<sup>42</sup> afford a fairly clear idea of the factors behind this regrettable trend in Chinese thinking and policy. Tillman Durdin states that "growing concern over the economic revival of Japan and the extent of the *rapprochement* between Japan and the United States is one of the most pronounced trends in China. Hardly a day passes in Shanghai without a critical Chinese press reference to developments in Japan and American relations with the Japanese." Chinese, he relates, suspect that in the game of Russian-American power politics the United States has come to consider Japan a potentially stronger and more reliable bulwark against the Soviet Union than China, and now favors Japan over China as the stabilizing force in the Far East. There is alarm that American occupation policies will result in Japan recovering its position as the leading manufacturing and trading nation in Asia, the position China had hoped to take.

<sup>40</sup> Approved by the Chief of the Division and addressed to the Director and Deputy Director of the Office of Far Eastern Affairs (Vincent and Penfield). Copy transmitted by the Under Secretary of State (Acheson) to Mr. Atcheson on November 21.

<sup>41</sup> Despatch 692, November 7, 1946, not printed.

<sup>42</sup> *Post*, p. 584.

Mr. Barnett records that Dr. Wang, too, expressed the view that China is beginning to wonder where American sympathies and interest actually lie. He stated that the Chinese Government has become profoundly concerned over the assumptions which seem to underlie American calculations of the "minimum peacetime economy" which is to be assured Japan—a level which the Chinese people could consider a luxury level for their own country. His particular charge, however, was that American reparation policies have acted to deprive China of the "just reparation" due it under Potsdam Declaration. He then, in a quite contrary vein to the complaints voiced in the Shanghai press, which protests SCAP efforts for the revival of Japanese industry and trade, proposed that Japanese economy be deliberately revived so as to permit reparation from current production for export to China. The complaint in both instances, however, is the same, that American policy has tended to favor Japan over China.

Paralleling, and in part, at least, a corollary of this anti-American trend, have been indications of an increasingly friendly attitude toward the Soviet Union. The attached *New York Times* despatch of November 2 relates that "Chinese press comments on the recent United Press interview with Premier Stalin approve the Russian's views. All see proof of the Premier's peaceful, constructive intentions . . .<sup>43</sup> Some journals depict Russia virtually pleading for peace in the face of provocations from the United States and Great Britain." The author of the despatch believes that these newspaper reactions reflect the official view to a considerable extent and states that virtually no criticism of Russia has appeared in the pro-Government press in recent months. One official Kuomintang organ states that "the Stalin statements indicate how hard Generalissimo Stalin has tried to dispel distrust of the United States and Britain, how sincerely and warmly he has extended his hand of friendship waiting to be shaken by American and British authorities." The paper adds obliquely that "If only MacArthur can revise his over-liberal policy there should be no insurmountable obstacle when it comes to discussing the draft peace treaty with Japan".

Full and objective appraisal of American occupation policies and programs in Japan to date provides little basis for belief that we have transferred our confidence and favor from China to Japan. The maintenance of cooperative working relationships between the occupation authorities and the Japanese Government and people, and encouragement and assistance to the beginnings of a revival of Japanese industry and trade, have been essential prerequisites for the success of the program of reorientation and reform of the Japanese people to which China no less than ourselves is committed. Our reparation

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<sup>43</sup> Omission indicated in the original.



policy has sought maximum feasible reparation to China without deliberately restoring Japan to the position of industrial and trading pre-eminence in the Far East which it previously enjoyed and in which we hope to see it replaced by China.

However, the fact that current Chinese views and attitudes on the occupation derive to so large an extent from misunderstanding of United States, and Soviet, objectives does not detract from their significance. Unquestionably it is in United States interest that Japan be on the side of the United States rather than the Soviet Union if, as seems probable, it is unable to maintain equally friendly relations with both. The occupation authorities have of necessity had to bear this factor in mind, and, quite naturally, have been unable to conceal the fact from other nations that they do have it in mind. There would seem definite advantage, however, in attracting as little attention to this feature of our occupation policy as possible. Should Soviet apprehension regarding the long-range purposes to which the United States may be planning to turn its advantageous position in Japan become sufficiently great, there is danger it may lead to counter-measures by the Soviets on the continent not to our advantage. Anti-American and pro-Soviet sentiment in China may be expected to increase the likelihood of such countermeasures, and to add to their effectiveness if adopted.

In sum, it would seem important in the determination and implementation of Japanese occupation policy that every attempt be made, on the one hand, to disabuse China of the idea that we have forsaken it or in any way mitigated our stern policy toward Japan, and, on the other, to avoid giving the Soviets cause for concern that Japan under our control or influence may constitute a threat to the security of the Soviet Far East. The proposed 25 (or 40) year Four-Power Demilitarization and Disarmament Treaty for Japan should, if accepted, go far toward allaying Soviet suspicions, but positive assurance by word and deed would seem necessary at an early date to dispel the growing impression in China that the United States is fostering Japanese economic revival at the expense of Chinese trading and security interests.

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694.0031/11-1946

*The Associate Chief of the Division of Japanese and Korean Economic Affairs (Whitman) to Mr. Donald G. Badger, Economic Secretary of the Far Eastern Commission*

WASHINGTON, November 19, 1946.

MY DEAR MR. BADGER: I believe members of the Inter-Allied Trade Board for Japan should be advised that the Supreme Commander for



the Allied Powers has notified the War Department he wishes to ascertain trade possibilities between Japan and other countries, particularly those not represented in Tokyo. Information as to commodities desired from Japan and commodities available for sale to Japan with estimates of quantities in each case should be received in Tokyo as soon as possible since foreign trade programs for 1947 are now being prepared.

Sincerely yours,

ROSWELL H. WHITMAN

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740.00119 Control (Japan)/11-2546 : Telegram

*General of the Army Douglas MacArthur to the Chief of Staff  
(Eisenhower)*<sup>44</sup>

TOKYO [undated.]

[Received November 25, 1946—6 a. m.]

Subject is status and treatment of Koreans in Japan.

Press statements have been corrected by statement issued here by SCAP spokesman 20 November as follows:

“Recent misconceptions appearing in some sections of the press in regard to the status and treatment of Koreans in Japan require clarification.

From the earliest days of the occupation it has been the policy of the occupation authorities, pursuant to United States, and later, Allied policy decisions, to accord Koreans treatment as liberated people and do everything possible for their welfare. Steps were promptly taken to free from prison those held for political reasons and to liberate those who were virtually slave laborers. A program of repatriation was initiated and to date over 919,000 have been returned to their native land, not including more than 14,000 who illegally re-entered Japan and who have been repatriated a second time. There are now approximately 600,000 Koreans in Japan of which only approximately 75,000 have requested repatriation. The Japanese authorities have been issued strict orders to insure that Koreans are not discriminated against in any way and the occupation authorities are at constant pains to see that these directions are given full effect.

Koreans charged by police authorities with commission of crimes have had the additional protection provided by review of their cases by the occupation authorities. Prosecution has, of course, been instituted against Koreans as well as all other persons who engaged in illegal black market or other criminal activities.

Press statements to the effect that this headquarters recently issued an order that Korean nationals remaining in Japan after 15 December 1946 must obtain Japanese citizenship are entirely incorrect. The occupation authorities have no intention of interfering in any way with the fundamental rights of any person of any nationality in regard to retention, relinquishment or choice of citizenship. Under

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<sup>44</sup> Sent to the Commanding General, U.S. Army Forces in Korea; transmitted to the Department of State by the War Department.

date of 16 October 1946 this headquarters issued a memorandum to the Japanese Government stating that repatriation of Koreans in Japan, who were formerly residents of Korea south of the 38 degrees north latitude, would be completed on or before 15 December 1946 except for those who have already refused to comply with repatriation [repatriation?] plans. Koreans refusing repatriation and electing to remain in this country make their choice with full knowledge that continued residence in Japan subjects them to all appropriate local laws and regulations.

Discrimination in favor of Koreans in Japan which would exempt them from the observance of appropriate local laws and regulations would create a form of extraterritoriality. This would be without justification from any point of view and would be contrary to general Allied policy in the light of the action of various governments in the last few years in relinquishing the vestiges of extraterritorial jurisdiction in other countries."

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740.00119 Control (Japan)/11-2146

*The Department of State to the Chinese Embassy*

AIDE-MÉMOIRE

Reference is made to a recent oral inquiry by a member of the staff of the Chinese Embassy concerning the status of Taiwanese in Japan, and the related question of their exemption, as United Nations nationals, from the jurisdiction of Japanese police and, in criminal cases, from the jurisdiction of Japanese courts. In this connection, it is understood that the Chinese Government now considers all Taiwanese to be Chinese, excepting only those who have executed before the proper authorities a declaration of unwillingness to acquire Chinese nationality.

It is the view of the Department that the removal of United Nations nationals from the jurisdiction of Japanese police and courts was a measure designed primarily to facilitate the work of the occupation authorities and to safeguard occupation personnel. Americans and most other nationals of members of the United Nations who are not engaged in occupational duties have in general been repatriated from Japan, and there do not exist there the facilities which would be necessary for properly maintaining order and administering justice were the privilege of exemption from Japanese jurisdiction to be extended to a large community of persons for whom it was not intended. In particular, it is considered that exemption from Japanese jurisdiction was not intended to be accorded the estimated 20,000 persons in Japan claiming to be Taiwanese; these persons throughout the war were enemy nationals and according to Japanese law still retain Japanese nationality, excepting only those who have individually divested themselves thereof in accordance with established procedure.



The rights of the Taiwanese in Japan to this special treatment therefore would appear to rest upon the technical grounds of the extension to them under Chinese law of the status of Chinese nationals. It should, however, be pointed out that from the legal standpoint the transfer of Taiwan's sovereignty remains to be formalized; assumably a treaty of cession will in due course be negotiated which will effect such transfer and which may contain provisions in regard to appropriate change in the national status of Taiwan's residents. It is, of course, not now possible to state with certainty that the terms of such a treaty will effect a change in the national status of persons of Taiwanese derivation who have abandoned their Taiwanese residence and settled in other lands. Finally, it should be pointed out that a great proportion of the alleged Taiwanese in Japan are without Chinese certificates of identity and nationality.

In this connection, it would be most helpful if the Chinese authorities would undertake to screen all Taiwanese in Japan, repatriating those who are unable to establish that they have a legitimate means of livelihood and issuing suitable certificates of identity to the remainder. Should the number of individuals in Japan now claiming a special status as Taiwanese be reduced through such a process to a relatively small body of properly investigated and documented persons, it might be possible to extend to them the special treatment which now is claimed for them. In the meantime, this Government would be disposed to hold that the Supreme Commander for the Allied Powers in Japan, on the basis of the aforementioned considerations and on the grounds of military necessity, would be justified in authorizing the Japanese police and courts to continue to exercise jurisdiction over Taiwanese in Japan.<sup>45</sup>

WASHINGTON, November 21, 1946.

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894.011/11-2146

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

No. 718

TOKYO, November 21, 1946.

[Received December 2.]

Subject: Amendments to Japanese Government Draft Constitution  
Passed by the House of Representatives and the House of Peers.

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<sup>45</sup> On November 22 the Chinese Minister-Counselor of Embassy (Tan) telephoned the Chief of the Division of Chinese Affairs (Ringwalt) "a translation from the Chinese version of a report received in his Embassy from Nanking which was to the following effect: On April 20, in reply to an inquiry from General Chu, SCAP stated that Chinese nationals, 'no matter whether from Formosa or other provinces of China', would be treated as members of the United Nations without discrimination." (740.00119 Control (Japan)/11-2146) Cf. paragraph 1 of memorandum dated April 2, p. 187.



The United States Political Adviser has the honor to refer to this Mission's despatch No. 296, March 8, 1946, with which was transmitted a copy of the Japanese Government Draft Constitution,<sup>46</sup> and to enclose copies of the English translation prepared by Government Section, General Headquarters, Supreme Commander for the Allied Powers, of the changes in the original version passed by the House of Representatives and the House of Peers.

[Enclosure]

*Memorandum of Changes in Japanese Draft Constitution as Adopted*

The following changes in the original translated version of the new Constitution for Japan were approved by the House of Representatives on 21 August, 1946:

Preamble—no change.

*Chapter 1*

Article 1. The Emperor shall be the symbol of the State and of the unity of the people, deriving his position from the will of the people with whom resides sovereign power.

Article 2. No change.

Article 3. No change.

Article 4. The Emperor shall perform only such acts in matters of State as are provided for in this Constitution. Never shall he have powers related to government.

The Emperor may delegate the performance of his acts in matters of State as may be provided by law.

Article 5. When, in accordance with the Imperial House Law, a regency is established, the regent shall perform his acts in matters of State in the Emperor's name. In this case, paragraph 1 of the preceding article will be applicable.

Article 6. The Emperor shall appoint the Prime Minister as designated by the Diet.

The Emperor shall appoint the Judge to head the Supreme Court, as designated by the cabinet.

Article 7. The Emperor, with the advice and approval of the Cabinet, shall perform the following acts in matters of State on behalf of the people:

Promulgation of amendments of the Constitution, laws, Cabinet orders and Treaties.

Convocation of the Diet.

Dissolution of the House of Representatives.

Proclamation of general election.

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<sup>46</sup> For texts of the Japanese Government drafts of the constitution, see *Political Reorientation of Japan*, p. 625.

Attestation of the appointment and dismissal of ministers of State and other officials as provided for by law, and of full powers and credentials of Ambassadors and Ministers.

Attestation of general and special amnesty, commutation of punishment, reprieve, and restoration of rights.

Awarding of honors.

Attestation of instruments of ratification and other diplomatic documents as provided for by law.

Receiving foreign Ambassadors and Ministers.

Performance of ceremonial functions.

Article 8. No change.

### *Chapter 2*

Article 9. Aspiring to an international peace based on justice and order, the Japanese people renounce war forever as a sovereign right of the nation, and the threat or use of force as a means of settling disputes with other nations.

For the above purpose, land, sea and air forces, as well as other war potential, will never be maintained. The right of belligerency of the State will not be recognized.

### *Chapter 3*

Article 10. The qualifications for Japanese citizenship shall be determined by law. (new article)

Old Articles, 10, 11, 12 renumbered as 11, 12, 13. No change.

Article 13. Renumbered as Article 14, and in lieu of sentence: "No peerage shall be granted", the following sentence is inserted: "Peers and peerage shall not be recognized."

Article 14, and Article 15 renumbered as 15 and 16. No change.

Article 17. Every person has the right to sue for redress as provided by law from the State or a public entity, in case he has suffered damage through illegal act of any public official. (new article)

Old Articles 16 through 22 inclusive, no change except renumbered as 18 through 24.

Article 23. Renumbered 25. All people shall have the right to maintain the minimum standards of wholesome and cultured living.

In all spheres of life, the State shall use its endeavors for the promotion and extension of social welfare and security and of public health.

Article 24. Renumbered 26. All people shall have the right to receive an equal education correspondent to their ability, as provided by law.

All people shall be obliged to ensure that all of the children under their protection receive elementary education as provided for by law. Such education shall be free.

Article 25. Renumbered 27. All people have the right and the obligation to work. Standards for working conditions, wages, hours, and rest shall be fixed by law. The exploitation of children shall be prohibited.

Articles 26 and 27. Renumbered 28 and 29. No change.

Article 30. The people are liable to taxation as fixed by law. (new article)

Old Articles 28 through 36 inclusive. Renumbered as 31 through 39. No change.

Article 40. Any person, in case he is acquitted after he has been arrested or detained, may sue the state for redress as provided by law. (new article)

#### *Chapter 4*

Old Articles 37, 38, 39. Renumbered as 41, 42 and 43. No change.

Old Article 40. Renumbered 44. The qualifications of electors and members of both houses shall be fixed by law. However, there shall be no discrimination because of race, creed, sex, social status, family origin, education, property or income.

Old Articles 41 through 50, inclusive. Renumbered as 45 through 54. No change.

Old Article 51. Renumbered 55. Each house shall judge disputes related to qualifications of its members. However, in order to deny a seat to any member, it is necessary to pass a resolution by a majority of two-thirds or more of the members present.

Old Articles 52 through 55, inclusive. Renumbered 56 through 59. No change.

Old Article 56. Renumbered 60. Time limit of 40 days changed to 30 days.

Old Article 57. Renumbered as 61. No change.

Old Article 58. Renumbered 62. Each house may conduct investigations in relation to government, and may compel the presence and testimony of witnesses, and the production of records.

Old Articles 59 and 60. Renumbered as 63 and 64. No change.

#### *Chapter 5*

Old Articles 61 and 62. Renumbered as 65 and 66. No change.

Old Article 63. Renumbered 67. The Prime Minister shall be designated from among the members of the Diet by a resolution of the Diet. This designation shall precede all other business.

If the House of Representatives and the House of Councillors disagree and if a joint committee of both houses, provided for by law, cannot reach an agreement, or the House of Councillors fails to make designation within 10 days, exclusive of the period of recess, after the



House of Representatives has made designation, the decision of the House of Representatives shall be the decision of the Diet.

Old Article 64. Renumbered 68. The Prime Minister shall appoint the ministers of State. However, a majority of their number must be chosen from among the members of the Diet.

The Prime Minister may remove the ministers of State as he chooses.

Old Articles 65 through 71, inclusive. Renumbered 69 through 75.

### *Chapter 6*

Old Articles 72, 73 and 74. Renumbered 76, 77 and 78.

Old Article 75. Renumbered 79. The Supreme Court shall consist of a Judge who is its head and such number of judges as may be determined by law; all such judges excepting the judge who is its head shall be appointed by the Cabinet.

The appointment of the judges of the Supreme Court shall be reviewed by the people at the first general election of the House of Representatives following their appointment, and shall be reviewed again at the first general election of the House of Representatives with a lapse of 10 years, and in the same manner thereafter.

In cases mentioned in the foregoing paragraph, when the majority of the voters show they favor the dismissal of a judge concerned, he shall be dismissed.

Matters pertaining to the review mentioned in the foregoing paragraph shall be prescribed by law.

The judges of the Supreme Court shall be retired upon the attainment of the age as fixed by law.

All such judges shall receive, at regular stated intervals, adequate compensation which shall not be decreased during their terms of office.

Old Articles 76, 77 and 78. Renumbered as 80, 81 and 82. No change.

### *Chapter 7*

Old Articles 79 through 83 inclusive. Renumbered as 83 through 87. No change.

Old Article 84. Renumbered 88. All property of the imperial household shall belong to the State. All expenses of the imperial household shall be appropriated by the Diet in the budget.

Old Articles 85, 86 and 87. Renumbered 89, 90 and 91. No change.

### *Chapter 8*

Old Articles 88 and 89. Renumbered 92 and 93. No change.

Old Article 90. Renumbered 94. Local public entities shall have the right to manage their property, affairs and administration, and to enact their own regulations within such laws as the Diet may enact.

Old Article 91. Renumbered 95. No change.

*Chapter 9*

Old Article 92. Renumbered as 96. No change.

*Chapter 10*

Old Article 93. Renumbered as 97. No change.

Old Article 94. Renumbered 98. This constitution shall be the supreme law of the State and no public law or ordinance and no imperial rescript or other act of Government, or part thereof, contrary to the provisions hereof, shall have legal force or validity.

The treaties concluded by Japan and established laws of nations shall be faithfully observed.

Old Article 95. Renumbered 99. The Emperor or the Regent, as well as the Ministers of State, the members of the Diet, judges, and all other public officials have the obligation to respect and uphold this constitution.

*Chapter 11*

Old Article 96. Renumbered as 100. No change.

Old Article 97. Deleted.

Old Articles 98, 99 and 100. Renumbered as 101, 102 and 103.

The following changes in the translated version of the new Constitution for Japan, in addition to those changes made by the House of Representatives on 21 August, were approved by the House of Peers on 6 October: It was then referred back to the House of Representatives which approved it without further change on 7 October.

*Preamble*

There were a few minor changes in the Japanese text of the Preamble but they were stylistic changes only which did not alter the English translation.

1. A new provision was inserted after the second paragraph of Article 15: "Universal adult suffrage is guaranteed with regard to the election of public officials."

2. The following clause was included (after paragraph 2 of Article 59): "The provision of the preceding paragraph does not preclude the House of Representatives from calling for the meeting of a joint committee of both Houses, as provided by law."

3. A new provision was inserted after the first paragraph of Article 66: "The Prime Minister and other Ministers of State shall be civilians."

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740.00119 Control (Japan)/11-2246: Telegram

*The Acting Secretary of State to the Political Adviser in Japan*  
(Atcheson)

CONFIDENTIAL

WASHINGTON, November 22, 1946—7 p. m.

582. Following message has been sent to War Dept for approval and transmission to SCAP:

"For your information Dept informed by Brit Emb world manpower commitments may necessitate withdrawal United Kingdom Brigade from Japan. Additional Commonwealth troops would be substituted or, more likely, remaining United Kingdom and Commonwealth troops spread out over present British zone. General Gairdner will shortly state position informally to SCAP without prejudice outcome current discussions British Government with Dominions. Dept informed Embassy representative matter should be discussed by British with SCAP's headquarters and SCAP probably would be reluctant agree any reduction requiring increase number and duties American troops."

ACHESON

740.00119 Control (Japan)/11-1346

*The Assistant Secretary of State (Hilldring) to the Director of the Civil Affairs Division, War Department (Echols)*

WASHINGTON, November 23, 1946.

MY DEAR GENERAL ECHOLS: There is enclosed a draft message to the Supreme Commander for the Allied Powers summarizing a statement by the Soviet Representative on the Far Eastern Commission with reference to the question of the execution of the purge directive of January 4, 1946.<sup>47</sup>

In view of the fact that this matter is now under discussion in the Far Eastern Commission and an urgent reply is desired, it is requested that the enclosed draft message be transmitted by the War Department to the Supreme Commander for the Allied Powers by cable.

Sincerely yours,

J. H. HILLDRING

[Enclosure]

*Draft Telegram for General of the Army Douglas MacArthur*

On November 4, 1946, the Soviet representative on the FEC submitted a statement with regard to the question of the execution of the purge directive of January 4, 1946. Basing his comments on a summary of the purge prepared by the Dept of State and circulated to the FEC, the Soviet representative stated that the Soviet group did not feel that up to the present the Japanese Govt had fully carried out the directive of the Supreme Commander in spite of the fact that the directive was to be fulfilled six months from January 4, 1946.

I. The Soviets stated that the U.S. report "admitted that 'as of 29 July 1946 remained to be screened about 1000 officials of 165 corporations, in various fields.' These corporations, as it was further pointed

<sup>47</sup> Scapin-550, *Political Reorientation of Japan*, p. 482.



out, are to be purged 'because their largest stockholders are national policy companies.'” [It should be noted that the U.S. report reads as follows and gives a different impression than when read out of context: “As of 29 July 1946 there remained to be screened about 1000 officials of 165 corporations in various fields. These corporations are not Government-owned or controlled, but under a more rigorous application than originally employed they have been added to the list because their largest stockholders are national policy companies. This group represents an addendum to rather than a residue of the original program.”] <sup>48</sup>

II. The Soviets pointed to the following statement in the U.S. report as evidence of incompleteness of purge: “In the Demobilization Board (formerly the First and Second Demobilization Ministries) are about 4000 officials who have not been screened. These are all former Army and Navy officers subject to mandatory removal under Category ‘B’ of Appendix ‘A’ but are listed in formal requests of the Japanese Govt to continue their employment as provided in paragraph 8 of SCAPIN 550 in order to carry out the repatriation, demobilization and re-absorption into civilian life of the approximately 1,500,000 Japanese military personnel who are still overseas.”

III. The Soviets stated that they were in possession of some data that there were still in the House of Representatives 18 members who were elected through bribery and other violations of the law and that the results of the “inquests” of these Diet members were still unknown. Among them are the following members of the Liberal Party: Ida Tomohei, Arafune Seijiro, Makino Kansaku, Hiroaka Ryoza; Progressive Party: Sekine Kyuzo, Abe Shungo; non party: Zushi Yasumasa and others.

IV. The Soviets stated that there were certain members of the House of Representatives who had compromised themselves due to their association with the militarists and their activity in the Imperial Rule Assistance Association during the war. As described by the Soviets they are:

Matsuda Shoichi—former adviser to the Imperial Rule Assistance Association and in 1942 elected to the Diet on the recommendations of the IRAA;

Inukai Ken—former economic adviser to the Wang Ching-wei <sup>49</sup> Government and one of the leaders of the “House for Development of Asia”;

Tahara Haruji—Administrator of New Guinea during the war; chief of the second section of the Department of South Seas in the Navy Department; in 1942 recommended by the Imperial Rule Polit-

<sup>48</sup> Statement in brackets in the original draft.

<sup>49</sup> Chinese head of Japanese-sponsored regime in occupied China during World War II.

ical Association to Diet; and follower of ideology for alliance of the Axis powers and for the undermining of the relations with the Allied Powers.

V. In view of this statement the Soviet delegation has proposed that the following policy decision be presented to the FEC for its consideration :

"1. To consider the fulfillment of the SCAP's purge directive of January 4, 1946, by the Japanese Government as unsatisfactory.

"2. To formulate a policy decision according to which the Supreme Commander for the Allied Powers could issue a directive to the Japanese Government to accelerate the complete fulfillment of the purge directive in the nearest future.

"3. To recommend that the Supreme Commander for the Allied Powers delete paragraph 8 of his directive 550 of January 4, which permits the Japanese Government under the pretext of 'irreplaceability' to keep in public office persons which who fall undoubtedly under the purge directive of January 4."

The Supreme Commander is requested to comment, particularly on paragraphs I to IV and reply as soon as feasible.

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740.00119 P.W./12-546 : Telegram

*The Chargé in the United Kingdom (Gallman) to the Secretary of State*

LONDON, December 5, 1946.

[Received December 5—7 : 06 a. m.]

9917. Urtel 8026, Dec 4.<sup>50</sup> Following official text questions and answers was only obtainable 10 : 30 a. m. Thursday : <sup>51</sup>

"MR. HORABIN asked the Prime Minister if he will state the date on which overtures for peace were first received from Japan, the date on which the decision was reached to drop the first atomic bomb on Japan, and the date on which the bomb was dropped.

"THE PRIME MINISTER (MR. ATTLEE) : The decision in principle to use atomic weapons against Japan was taken at the beginning of July 1945 and the first bomb was dropped on 6th August. The offer of peace made to Japan by the Potsdam Declaration on 26th July was not accepted until 10th August." <sup>52</sup>

"MR. PIRATIN asked the Prime Minister whether it is the Government's intention to seek to prohibit the use of the atom bomb.

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<sup>50</sup> Not printed ; it asked for Prime Minister Clement R. Attlee's actual reply as delivered in the House of Commons to a question on the date of the Japanese surrender offer and of the atomic bomb (740.00119 PW/12-446).

<sup>51</sup> December 5.

<sup>52</sup> The London Press Association on December 5 issued a statement as follows : "Owing to a mishearing of a reply by the Prime Minister to a question in the House of Commons on Wednesday, the impression was conveyed by our report that Japan had made a peace offer before the first atomic bomb was dropped." (740.00119 P.W./12-646)

"THE PRIME MINISTER: Yes, sir.

"MR. PIRATIN: Do I understand from that gratifying answer that our representative in the US at this time is informed of the Prime Minister's opinion and is acting on that?

"THE PRIME MINISTER: Yes, sir.

"MR. PIRATIN: Thank you."

Horabin left wing Independent, formerly Liberal, and Piratin Communist MP.

GALLMAN

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894.646/12-946

*Appendix "B" of SWNCC 52/23 as Approved December 6* <sup>53</sup>

TOP SECRET

1. *a.* Fundamental scientific research in the field of atomic energy of a wholly or primarily military nature shall be prohibited.

*b.* Fundamental scientific research in the field of atomic energy which is not of a wholly or primarily military nature shall be prohibited only insofar as it requires for its conduct installations which, on account of their size or their special or peculiar construction, would be valuable for any applied scientific research of a wholly or primarily military nature.

*c.* Fundamental scientific research means research of an exploratory character in any field directed towards the discovery of new knowledge, theories, principles of laws of nature, or of new compounds or materials.

2. All research or development in Japan which has for its purpose the production of fissionable atomic species except their production in minute quantities for use in fundamental scientific research and academic instruction only consistent with paragraph 1 above, should be prohibited.

3. All research or development in Japan which has for its purpose the separation or concentration of fissionable species of atomic isotopes from the naturally occurring isotope mixture of a chemical element should be prohibited except when such isotope separation is in minute quantities to be used for fundamental research purposes only and consistent with paragraph 1 above.

4. All development, or construction in Japan which has for its purposes the utilization of atomic nuclear energy for weapons of war or the operation of war industries, or the operation of power producing installations which might easily be converted to warlike purposes, should be prohibited.

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<sup>53</sup> Copy transmitted to the Department in covering letter, SWN-4953, December 9, by the State-War-Navy Coordinating Committee.



5. The mining, processing and refining of radioactive materials in Japan for authorized uses should be permitted only in instances specifically approved by SCAP and should be under such surveillance as necessary to prevent stockpiling of such materials for war purposes.<sup>54</sup>

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894.5043/12-646

*Memorandum by the Assistant Secretary of State (Hilldring) to  
SWNCC*

[WASHINGTON,] December 10, 1946.

Subject: Draft Directive Regarding Principles for Japanese Trade Unions

There is enclosed a draft directive prepared on the basis of a policy decision<sup>55</sup> unanimously approved at the 36th meeting of the Far Eastern Commission on December 6, 1946, under the provisions of paragraph II, A, 1, of its terms of reference. It will be noted that this policy decision is quoted verbatim in the enclosed draft directive.

It is requested that the enclosed directive be forwarded to the Joint Chiefs of Staff for transmission to General MacArthur for his guidance in accordance with paragraph III, 1, of the terms of reference of the Far Eastern Commission. It is assumed that if the Joint Chiefs of Staff have any question regarding the draft directive they will refer the matter to the State Department for clarification before transmitting a directive on the subject.<sup>56</sup>

The Secretary-General of the Far Eastern Commission has requested that the Joint Chiefs of Staff, in transmitting the enclosed draft directive to the Supreme Commander for the Allied Powers, inform him that in adopting the policy decision on which this directive is based the Commission agreed that it should be released to the press. Therefore, in accordance with the normal procedure, acknowledgment of the receipt of the directive is requested.<sup>57</sup>

J. H. HILLDRING

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<sup>54</sup> On December 11, General Hilldring requested General McCoy to present Appendix "B" to the Far Eastern Commission as a basis for discussion in reaching an agreement in the Commission on a policy for control of fundamental scientific research and academic instruction in Japan in the field of nuclear physics (894.646/12-946).

<sup>55</sup> FEC-045/5, December 6.

<sup>56</sup> The directive was sent to SCAP as serial 63, December 13.

<sup>57</sup> SCAP in its telegram Z 28642, December 19, 1946, acknowledged receipt of radio message W 87727, December 15, and this was duly reported by General Hilldring to the Secretary General of the Far Eastern Commission (Johnson) on December 27.

## [Annex]

*Draft Directive for General of the Army Douglas MacArthur  
Regarding Principles for Japanese Trade Unions*

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 6 December 1946 under the provisions of Paragraph II, A, 1, of its terms of reference, has been received from the State, War and Navy Departments for transmission to you for your guidance in accordance with Paragraph III, 1, of those terms of reference:

"1. Japanese workers should be encouraged to form themselves into trade unions for the purpose of preserving and improving conditions of work, participating in industrial negotiations to this end, and otherwise assisting the legitimate trade union interests of workers, including organized participation in building up a peaceful and democratic Japan.

"2. The right of trade unions and their members to organize for these purposes should be assured and protected by law. The freedom of workers to join trade unions should be provided for by law. All laws and regulations preventing trade unions achieving these objectives should be immediately abrogated. Employers should be forbidden to refuse employment to, or discriminate against, a worker because he is a member of a trade union.

"3. Trade unions should have the right of free assembly, speech and the press, and access to broadcasting facilities on a non-discriminatory basis, provided only that such assembly, speech, or writing does not directly interfere with the interests of the occupation.

"4. Trade unions should be encouraged to negotiate with the employers on behalf of their members regarding terms and conditions of employment. The Japanese Government should establish mediation and arbitration machinery for dealing with industrial disputes that cannot be settled by direct and voluntary negotiation between the worker or his representative and the employer. The mediation and arbitration machinery should operate under conditions assuring the protection of the interests of the workers, and if employers are represented on the machinery, trade unions should be given equal representation.

"5. Strikes and other work stoppages should be prohibited only when the occupation authorities consider that such stoppages would directly prejudice the objectives or needs of the occupation.

"6. Trade unions should be allowed to take part in political activities and to support political parties.

"7. Encouragement should be given to organized participation by trade unions and their officials in the democratization process in Japan and in measures taken to achieve the objectives of the occupation, such as the elimination of militaristic and monopolistic practices. But such participation should not be encouraged in such a way as to hinder the achievement of the principal obligation and responsibility of the unions and their officials to organize for the protection of union members and union interests.



"8. Trade unions should be encouraged to promote adult education and an understanding of democratic processes and of trade union practices and aims among their members. The Japanese Government should as far as possible assist trade union officials in obtaining information on trade union activities in other countries. These objectives should be given due weight when allocations of paper supplies and imports of foreign publications are made.

"9. The Japanese should be free to choose the form of organization of their unions, whether on a craft, industry, company, factory or territorial basis. Emphasis should be placed on the importance of a solid local basis for future trade union activity in Japan. However, unions should be allowed to form federations or other groupings, for example in the same area or in related industries or on a nationwide basis.

"10. The formation of trade unions should be a process of democratic self-expression and initiative, proceeding from the workers themselves. Employers should not be allowed to take part in the organization or conduct of unions or to finance them.

"11. Trade union officials and standing committees should be elected by the workers concerned by secret ballot and democratic methods. It should be the responsibility of the unions to ensure that all officials have been democratically elected at regular stated intervals and that all their activities are democratically conducted.

"12. No person who is subject to the purge directive of 4 January 1946, or to subsequent purge directives, should be allowed to hold office in a trade union. All persons who were directly connected in the past in a responsible capacity with the obstruction or repression of trade union organization or activity should be prohibited from employment as union officials, in labor agencies or as mediators, conciliators, or arbitrators. All persons who held office in government-sponsored or controlled trade unions should be subject to screening before being allowed to take office again.

"13. Japanese Government and other agencies which were set up or functioned for the purpose of obstructing or in such a way as to obstruct free labor organization and legitimate trade union activities should be abolished or their powers in respect to labor revoked. No police or other government agencies should be employed in spying on workers, breaking strikes, or suppressing legitimate union activities.

"14. Any undemocratic workers' organizations or their affiliates, such as the Patriotic Industrial Associations, should be dissolved and not allowed to revive. No new workers' organizations with militaristic, ultra-nationalistic, fascist, or other totalitarian aims should be permitted.

"15. Persons who have been imprisoned because of activity or 'dangerous thoughts' in connection with trade unions and other labor organizations should be released.

"16. The balance sheet and table of income and expenditure of each trade union showing also the source of large contributions should be available for public inspection. Safeguards such as annual audit by a professionally competent auditor appointed by the members should be taken to ensure the accuracy of these statements."



740.00119 FEAC/12-946

*Memorandum by Brigadier General Conrad E. Snow, Assistant to the Legal Adviser (Fahy)*<sup>58</sup>

[WASHINGTON,] December 10, 1946.

JURISDICTION OF THE FAR EASTERN COMMISSION WITH RESPECT TO THE  
JAPANESE PEACE TREATY

1. The Terms of Reference of the Far Eastern Commission do not vest in the Commission any jurisdiction with respect to the formulation of policies, principles and standards to which a Peace Treaty with Japan must conform.

2. The Far Eastern Commission was established by the Foreign Ministers of the Union of Soviet Socialist Republics, the United States of America and the United Kingdom, with the concurrence of China, to formulate the policies, principles and standards in conformity with which *Japan* might accomplish the fulfillment of its obligations under the *Terms of Surrender*. The Terms of Reference are not a limitation on the right of any or all of the four constituting Powers, nor of any other Power which has been at war with Japan, to conclude a bilateral or multilateral Treaty of Peace with Japan, upon such terms as can be negotiated. Nor do they bear upon any obligations which Japan may assume by virtue of any such treaty or treaties.

3. The functions of the Far Eastern Commission under the Terms of Reference are quite independent of any treaty or treaties of peace. The Commission may cease to function, under Par. VII, either before, contemporaneously with, or after, the conclusion of such treaties, in accordance with the decision of the four constituting Powers and at least a majority of all the representatives on the Commission. Naturally, however, if a multilateral Treaty of Peace is concluded, merging all the obligations of Japan in a new instrument which takes the place of the Terms of Surrender, the Powers will at the same time take care either to terminate the Far Eastern Commission or to issue to it new Terms of Reference, prescribing its function with reference to the provisions of the new instrument.

4. This is not to say that any Power or Powers, in negotiating a treaty or treaties of peace with Japan, should disregard the policies, principles and standards formulated by the Far Eastern Commission for the guidance of Japan in the fulfillment of its obligations under the Terms of Surrender. The terms of such treaty or treaties must necessarily depend in part on the extent to which Japan has fulfilled its obligations under the Terms of Surrender. Good faith on the part of the contracting Powers should require them to measure Japan's accomplishment in the light of the ground rules laid down by the Com-

<sup>58</sup> Prepared in response to a request of December 9 by General Hilldring.

mission. They furnish at one and the same time the implementation of its obligations and the measure of its accomplishment. They have, however, no binding effect on the diplomatic representatives of the Power or Powers which are negotiating a treaty or treaties of peace.

5. The fundamental business of the Far Eastern Commission is the fulfillment by Japan of its obligations under the Terms of Surrender. It formulates the policies, principles and standards in conformity with which this fulfillment may be accomplished. Its policy decisions are transmuted by the United States Government into directives to the Supreme Commander of the Allied Powers. The whole system of control is obviously designed as an interim measure to cover a period of military occupation. There is no provision in the Terms of Reference for any participation by the Commission in any change either in Japan's charter of obligations or in the system of control, and there is no body to which the Commission could communicate policy decisions for the guidance of the treaty-making authorities of the several Powers, who, it is assumed, will one day meet to discuss the drafting of a Treaty of Peace. The Commission is designed to operate under the existing system, and with prospective changes in that system, incident to treaties of peace, or any other diplomatic agreements among the Powers, it has no business.

6. The Legal Adviser's Office knows of no other international commitments or other controlling documents giving to the Far Eastern Commission any jurisdiction to deal with any aspects of a Japanese Peace Treaty.

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740.00119 PW/12-1346

*The British Embassy to the Department of State* <sup>59</sup>

G299/—/46

#### AIDE-MÉMOIRE

A member of the House of Commons has given notice that he intends to ask the following question on the 19th December :—

“To ask the Prime Minister on what date overtures for peace were made by Japan before the offer of peace to Japan by the Potsdam Declaration of 26th July or whether any overtures were received before the first atomic bomb was dropped on 6th August.”

2. In view of the fact that Generalissimo Stalin communicated certain information on Japanese peace feelers jointly to President Truman and to Mr. Attlee, His Majesty's Government would be grate-

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<sup>59</sup> Handed on December 13 by the Counselor of the British Embassy (Graves) to the Director of the Office of Far Eastern Affairs (Vincent).

ful to learn whether the State Department concurs in the terms of an answer in the following language:—<sup>60</sup>

Proposed reply by the Prime Minister:—

“No overtures for peace were made by Japan to the countries with which she was at war prior to her acceptance of the terms of the Potsdam Declaration, which she did not communicate to us until August 10th, 1945, fifteen days after the Declaration had been made and four days after the dropping of the first atomic bomb. It was known however that the Japanese leaders had previously been considering means of reaching a settlement more favourable to themselves than unconditional surrender. At Potsdam, on July 28th, 1945, Generalissimo Stalin informed President Truman and me in strict confidence that the Soviet Government, who had not at that time joined in the Far Eastern war, had received from the Japanese Government a proposal that they should act as mediators between the Japanese Government and the British and United States Governments. According to Generalissimo Stalin, the Soviet Government interpreted this move as an attempt to obtain the collaboration of the Soviet Government in the furtherance of Japanese policy and they had therefore returned an unhesitating negative.<sup>61</sup> The information thus furnished by Generalissimo Stalin offered no new opportunity for hastening the conclusion of the war since the Japanese Government had already, by the Potsdam Declaration of 26th July, been invited in the most formal manner to surrender.”

WASHINGTON, 13 December, 1946.

[Annex]

*Addendum to British Aide-Mémoire of December 13*

In the event of supplementary questions, answers along the following lines will be given:—

1. This reply shows that the responsibility for the delay and for neglecting the opportunity to save themselves further bloodshed lies with the Japanese Government alone. It is the greater in view of the fact that the Japanese leaders were not blind to the hopelessness of their war situation.

2. If it is asked whether this approach to the Soviet Government could not be construed as an overture for peace, the reply could be made that the Soviet Government was not a belligerent. The Allied

<sup>60</sup> In a memorandum of December 14, 1946, the Chief of the Division of Japanese Affairs (Borton) stated that, in view of the request by Mr. Graves for an oral reply at as early a date as possible, he had telephoned Mr. Graves “that there would seem to be no objection, from the Department’s point of view, to the proposed reply by the Prime Minister.” On December 19, 1946, the Department replied in writing that it “concurs in the terms of the proposed reply by the Prime Minister to the question to be put to him in the House of Commons on December 19 regarding alleged overtures of peace by Japan prior to its qualified acceptance of the terms of the Potsdam Declaration on August 10, 1945.” (740.00119 PW/12-1346)

<sup>61</sup> See *Foreign Relations, The Conference of Berlin (The Potsdam Conference)*, 1945, vol. II, p. 460.



Governments could not in any case do more than invite the Japanese to lay down their arms, which had already been done in the Declaration. The fact remains that the dropping of the atomic bomb followed by eleven days the issue of the Declaration and that during this period the Japanese made no peace move whatsoever.

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894.011/12-1246

*Memorandum by the Assistant Secretary of State (Hilldring) to the Secretary of SWNCC*

CONFIDENTIAL

WASHINGTON, December 16, 1946.

There is enclosed a draft directive prepared on the basis of a policy decision <sup>62</sup> unanimously approved at the 37th meeting of the Far Eastern Commission on December 12, 1946, under the provisions of paragraph II, A, 1, of its terms of reference.

It is requested that the enclosed directive be forwarded to the Joint Chiefs of Staff for transmission to General MacArthur for his guidance in accordance with paragraph III, 1, of the terms of reference of the Far Eastern Commission. It is assumed that if the Joint Chiefs of Staff have any question regarding the draft directive they will refer the matter to the State Department for clarification before transmitting a directive on the subject.<sup>63</sup>

J. H. HILLDRING

[Annex]

*Draft Directive for General of the Army Douglas MacArthur Regarding Issuance of the Policy Decision on Review of the Japanese Constitution*

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 6 [12?] December 1946 under the provisions of Paragraph II, A, 1, of its terms of reference, has been received from the State, War and Navy Departments for transmission to you for your guidance in accordance with Paragraph III, 1, of those terms of reference:

"1. The terms of the policy decision contained in FEC-031/41 (Provisions for the Review of a New Japanese Constitution, approved on 17 October 1946 and forwarded to the Supreme Commander for the Allied Powers on 28 October 1946, Serial #62)<sup>64</sup> should be formally communicated to the Government of Japan.

"2. The time and manner of public announcement of this policy decision are still being considered by the Far Eastern Commission."

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<sup>62</sup> FEC-099/3, December 12.

<sup>63</sup> The directive was sent to SCAP as serial 66, December 18, and copy to the Far Eastern Commission on December 27.

<sup>64</sup> See annex p. 347.

740.00119 Control (Japan)/12-1746

*The Chargé in the United Kingdom (Gallman) to the Secretary of State*

SECRET

No. 2999

LONDON, December 17, 1946.

[Received January 2, 1947.]

SIR: I have the honor to report that in November 1946 Mr. D. F. MacDermot, Head of the Japan and Pacific Department of the British Foreign Office made oral inquiry in regard to the status of the draft treaty on the disarmament and demilitarization of Japan which had been proposed by the Secretary of State to Mr. Bevin by way of a communication from this Embassy to Mr. Bevin dated March 1, 1946. Reference to the Embassy files disclosed that the last development on this subject had been the transmission by this Embassy to Mr. Bevin of a communication under date of June 14, 1946, to which there was attached a revised draft of the proposed treaty. In this same letter Mr. Bevin was informed that the Secretary of State had authorized the release to the press of the revised draft during the ensuing week. From information available to the Embassy, it appears that the revised draft treaty was released to the press on June 21, 1946.

With a view to ascertaining the sequence of events as reflected in the records of the Foreign Office it was suggested that Mr. MacDermot might wish to draft a letter to the Embassy on the subject. This Mr. MacDermot has now done in a communication dated December 13, 1946, a copy of which is enclosed.<sup>65</sup>

It will be observed from Mr. MacDermot's letter that the Foreign Office now desires information in regard to the present status of the draft treaty. In particular, as will be noted from the concluding paragraph of Mr. MacDermot's letter, information is desired (1) with respect to the British proposal that the Dominion Governments and probably the Government of India be included among the signatories of the treaty, (2) with respect to the reactions, if any, of the Chinese and Soviet Governments, and (3) with respect to what further action the Department may be contemplating in regard to the treaty.

If the Department feels that it is in a position to respond in whole or in part to the queries of the Foreign Office, the Embassy would appreciate the receipt of the Department's instructions on the subject.

Respectfully yours,

For the Chargé d'Affaires ad interim:

EVERETT F. DRUMRIGHT

*First Secretary of Embassy*

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<sup>65</sup> Not printed.

740.00119 Control (Japan)/12-246

*Memorandum by Mr. Robert A. Fearey of the Division of  
Japanese Affairs*

[WASHINGTON,] December 18, 1946.

Subject: Twentieth Meeting of the Allied Council for Japan,  
November 27, 1946.<sup>65</sup>

The meeting was businesslike and instructive, unmarred by trouble of any kind.

Mr. Atcheson opened by informing the Council that "the Supreme Commander has directed the Government Section of General Headquarters to investigate the allegations made at the last meeting by the Soviet Member (regarding 17 Diet members allegedly liable under the January 4 purge directive) and to initiate such action thereon as the facts developed may call for." Mr. Sebald, who was present, says that the Government Section had reinvestigated the seventeen before the meeting and found them blameless, but that Mr. Atcheson had not wished to risk further dispute by announcing the fact. It is debatable, however, whether it was better to let General Derevyanko get away with his charges, or to have made the results of the investigation available as a matter of routine to the Council and public.

The Council then turned to a list of nine questions submitted by the Soviet Member regarding "the progress of handling the dissolution of Zaibatsu<sup>67</sup> concerns by the Holding Company Liquidation Commission". The answers read by Major Cooper, Chief of the Liquidations Branch of the Anti-Trust and Cartels Division of the Economic and Scientific Section of SCAP, and subsequent discussion, provide a useful picture of the present stage of the dissolution program, as summarized, for reference, below:

1. Forty-five holding companies have been designated for dissolution by the Holding Company Liquidation Commission. The Commission has already taken over the securities, valued at over 2 billion yen and representing an effective control over more than 250 operating subsidiaries, of the "Big Five"—Mitsui, Mitsubishi, Yasuda, Sumitomo and Fuji Industrial. Dissolution of the remaining 40 holding companies, owning securities in excess of 4 billion yen and representing an effective control over more than 800 operating subsidiaries, is proceeding on the pattern of the Big Five. The total assets of these 45 holding companies exceed 28 billion yen, and their assets, combined with those of their 1200 or so subsidiaries (comprising the list of

<sup>65</sup> Despatch 741, December 2, 1946, from the Political Adviser in Japan, not printed.

<sup>67</sup> Japan's financial oligarchy made up of principal families (Mitsui, Mitsubishi, Sumitomo, and Yasuda).



"restricted concerns"), total approximately 186 billion yen. The corporate affairs of all these concerns are being actively supervised by the Commission pending liquidation and resale of their shares.

2. The Chief of the Liquidation Branch, Anti-trust and Cartels Division, (presently Major Cooper) serves as an official observer at Liquidation Commission meetings and supervises the activities of the Commission.

3. The Commission is engaged in appraising the assets and earnings of the subsidiaries controlled by the 45 holding companies in order to fix a valuation for the public sale of the holding companies' shares. A coordinating committee is being set up by the Japanese Government to establish policies for the rapid, permanent and widespread distribution of these shares. No shares have been sold yet. Purged individuals and members of Zaibatsu families will be among those not permitted to purchase the shares, while employees of the operating concerns, cooperatives etc., will be given first opportunity to buy. The speed with which it will be possible to dispose of the shares will depend upon the purchasing power in the hands of the people it is desired to have buy them, though the intention (as I understand it) is to sell the shares at as low a price as may be necessary to dispose of them over a fairly brief period of time—it is desired that the Liquidation Commission divest itself of the shares, and attendant control of a major portion of Japanese industry, as soon as practicable.

4. Zaibatsu family members and other large shareholders in the dissolved holding companies will receive as compensation government bonds of a non-negotiable and non-transferable nature to mature in not less than ten years. Small individual shareholders will receive negotiable government bonds. (Under a recent directive the assets of members of the Zaibatsu families, apart from their corporate holdings, will also be converted into non-negotiable government bonds with a maturity of not less than ten years.) The expenses of dissolution and liquidation will be charged against the Zaibatsu-held assets before their conversion into government bonds. These bonds will be subject to the impending capital levy, which will reduce net payments substantially.

5. There is at present no prohibition against foreign nationals purchasing shares of dissolved holding companies, but the question of whether foreign nationals will actually be allowed to purchase such shares has not been decided.

At the end of the meeting General Derevyanko recommended that, in view of the importance of the liquidation program to the democratization of Japan, representatives of the Allied Powers represented on the Allied Council should be admitted as observers of the work of the Holding Company Liquidation Commission. He could have had little hope that such a request would be granted, and probably made it for the propaganda value of the refusal, since SCAP has made it a practice to communicate his acceptance or rejection of Council members' recommendations to the Council.

894.5018/12-2046

*The British Embassy to the Department of State*<sup>68</sup>

1706/-/46

The United Kingdom Government are much perturbed by the information which reaches them as to the present policy of food collection and distribution in Japan. Stated in general terms, their anxiety arises in the first place from the fact that the per capita food supply now available to the Japanese people is much greater than that available to the people of territories in South East Asia for which the United Kingdom is responsible, a disparity concerning which they are liable to attack in Parliament and in the Press. They are further influenced by the striking anomaly of a situation in which the Japanese people are so fortunate as to be receiving increased rations, which put them in a better position than during the war, whereas the people of the United Kingdom are in a worse position and even faced with the prospect of further reductions.

There are three main points to which His Majesty's Government attach importance:

1. *The rice collection*. its relative proportion to the crop, and the measures taken by the Japanese to see that the quota is in fact collected.

2. *The consumption level*. not only of the staple ration, but also as supplemented by other controlled and free supplies. Related to this are the inadequate measures which the Japanese have taken for the equalization of consumption.

3. *The attitude of the Japanese Government* to their own responsibilities, and the extent to which the occupying authority should endeavour to regulate that attitude.

Taking these points separately, the views of His Majesty's Government, stated on broad lines and with a minimum of statistical elaboration, are as follows:

1. *Rice Collection*. Out of a total crop for the 1947 crop year estimated at 63 million *koku* or 9 million tons, the Japanese Government proposes to collect 28 million *koku* (4 million tons). This is an even smaller proportion of the total than the target figure of last year. It leaves 35 million *koku* or 5 million tons to be consumed by the self-supplying part of the population, who account for only 43% of the total population. It is admittedly difficult to exercise full control over consumption by self-suppliers, but unless the Japanese government can get more than 4,000,000 tons of this year's rice crop into its hands, it is to be feared that over-consumption by self-suppliers and the black

<sup>68</sup> On December 20 this was referred by General Hildring's Executive Assistant, W. M. Cameron, to James A. Stillwell of the International Resources Division; notation by Mr. Stillwell: "This was answered verbally by the General and me, and no formal answer is required." (894.5018/12-2046)

market will in 1947 again jeopardize the staple ration for urban Japan.

It would be unrealistic to suggest that the self-suppliers should be reduced to the standard of the non-self-suppliers; but a rough estimate shows that, if methods of collection were improved, for every 100 calories per diem taken from self-suppliers, imports of food could be reduced by 380,000 tons per annum.

These and related facts constitute, in the view of the United Kingdom Government, most urgent reasons for strengthening and improving the control and distribution of rice and other indigenous foodstuffs in Japan. On present estimates, the self-suppliers,—less than half the population—will consume some 70% of all indigenous supplies in 1947.

2. *The consumption level.* Before the war rice consumption per capita per diem in Japan was about 13 oz. The current ration is 12.8 oz. which is well above the war-time ration of 10.24 oz.

The Japanese have asked for imports of 2 million tons or 14 million *koku* of rice equivalents, which would give them a total of 77 million *koku* of rice or imported rice equivalents. That is to say, the Japanese are aiming at 1 *koku* (of rice and imported foodstuffs in rice equivalent) per head of the population per annum, which is the average pre-war consumption, and this takes no account of indigenous supplies of other foods.

The figures cited above are based upon information which appears to be reliable, but His Majesty's Government have not seen any detailed official estimates by the Japanese Government of indigenous resources and proposed consumption in 1947. They assume that the S.C.A.P. obtained such an estimate before sanctioning the increased ration, and would be grateful if, as in 1946, it could be furnished to them.

3. *The Attitude of the Japanese Government.* It is no wonder that the Japanese daily press and such organs as the *Oriental Economist* write optimistically of the food situation, refer to the "unbelievable generosity" of the occupying authority and by implication approve the imperfection and corruption in food distribution.

The Japanese Government for its part appears to be taking it for granted that unequal consumption levels, black markets, and other shortcomings in food administration are inevitable and incurable; and there are not wanting, in intelligence reports from the Supreme Commander's Headquarters, indications that some officials there take a similar pessimistic view.



The United Kingdom Government therefore feel justified in enquiring whether the Supreme Commander is definitely of the opinion that no further pressure can be brought to bear upon the Japanese Government to induce them to improve their controls and bring about more equitable distribution, by declaring that imports of food will be conditional upon such action or by other appropriate means.

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894.628/10-1846 : Airgram

*The Secretary of State to the Political Adviser in Japan (Atcheson)*

RESTRICTED

WASHINGTON, December 23, 1946.

A-177. Reference Political Adviser's despatch no. 657, October 18, 1946, with regard to Japanese Government's request for permission to fish in North Pacific areas.

The Far Eastern Commission has directed that a sub-committee be formed to consider possible revisions in FEC-035, with respect to Japanese fishing and whaling activities.

Until conclusion is reached by FEC on this matter Dept. concurs in SCAP's view that presentation of Japanese request to Soviet representative in Japan should be delayed.

BYRNES

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894.011/12-2746

*Memorandum by the Assistant Secretary of State (Hilldring) to the United States Representative on the Far Eastern Commission (McCoy)*

[WASHINGTON,] December 27, 1946.

In accordance with instructions of December 18, 1946, from the State-War-Navy Coordinating Committee,<sup>69</sup> there is enclosed a "Statement of United States Policy Toward Announcement of the Provisions for the Review of the New Japanese Constitution", comprising the substance of the conclusions of SWNCC 288 [228]/12, which was approved informally by the State-War-Navy Coordinating Committee on December 18, 1946.

In discussions on this subject in the Far Eastern Commission, the United States Member should be guided by the enclosed statement of United States position.

J. H. HILLDRING

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<sup>69</sup> Not printed.

[Annex]

*Statement of United States Policy Toward Announcement of the Provisions for the Review of the New Japanese Constitution*

It is concluded that the U.S. position should be as follows:

"The U.S. Government will not agree to the publication of the Policy Decision contained in FEC 031/41 until, after consultation with General MacArthur, the U.S. Government concludes that such publication is consistent with U.S. foreign policy and the accomplishment of Allied objectives in Japan."

**APPREHENSION AND PUNISHMENT OF JAPANESE WAR CRIMINALS**<sup>70</sup>

740.00116 P.W./1-246

*The British Embassy to the Department of State*

## AIDE-MÉMOIRE

The following is a list of the major Japanese war criminals who His Majesty's Government in the United Kingdom consider should be tried by the International Military Tribunal:

Tojo, General Hideki,  
Togo, Shigenori,  
Nakamura, Lt. General Aketo,  
Doihara, General Kenji,  
Nagano, Admiral Osumi,  
Oikawa, Admiral Koshiro,  
Shimada, Admiral Shigetaro,  
Umezu, General Ushijiro,  
Itagaki, General Seishiro,  
Terauchi, Marshal Count Hisaichi,<sup>71</sup>  
Matsuoka, Yosuke.

2. His Majesty's Government would be grateful for the views of the State Department on this list.

3. Marshal Terauchi, Lt. General Nakamura and General Itagaki are in command of armies in the South East Asia Command and for this reason His Majesty's Government do not wish any steps to be taken for their arrest until the concentration and disarmament of the forces under their command have been completed.

WASHINGTON, January 2, 1946.

<sup>70</sup> Continued from *Foreign Relations*, 1945, vol. vi, pp. 898-989.

<sup>71</sup> The Department in its telegram 49, January 16, 1946, 6 p. m., to the Acting Political Adviser in Japan (Atcheson), stated that the British Embassy had requested the withdrawal of Count Terauchi's name from the British list, since a serious illness rendered him unable to plead (740.00116 P.W./1-1646). Count Terauchi died subsequently.

740.00116 PW/1-446

*The Indian Agent General (Bajpai) to the Secretary of State*

F.169/46/C

The Agent General for India presents his compliments to the Secretary of State and has the honour to address him on the subject of the nomination of judges to the international military tribunal to be appointed for the trial of major Japanese war criminals. The Government of India desire to urge in the strongest possible terms their claim to nominate at least one Indian judge to serve on the tribunal. Indian nationals, whether prisoners of war or civilians, resident in territories in Southeast Asia and Burma which were invaded by Japanese forces, were the victims of Japanese brutalities. Indian armed forces played a major part in the defeat of Japan in Burma. India can, therefore, legitimately claim participation in the trial of Japanese war criminals on a footing of equality with the other powers who participated in the war against Japan. Besides a Federal Court, India has eight High Courts of Judicature, and a distinguished Bar whose members have had training and experience in Western principles of jurisprudence. Should her claim to nominate a judge to the tribunal be conceded, as she confidently hopes it will be, the appointing authority can rest assured that a person of recognised eminence in law will be nominated to serve on the court.

[WASHINGTON,] 4 January, 1946.

740.00116 PW/1-246: Telegram

*The Secretary of State to the Acting Political Adviser in Japan  
(Atcheson)*

SECRET

WASHINGTON, January 5, 1946—6 p. m.

20. Brit *aide-mémoire* recd Jan 4:[Here follows text of British *aide-mémoire* printed on page 382.]

Dept understands submission of defendant list for approval Supreme Commander <sup>72</sup> is responsibility prosecution agency. Suggest above list be communicated to Keenan <sup>73</sup> and that he be informed that Brit Embassy has informed Dept General Gairdner <sup>74</sup> will soon be instructed to discuss war crimes matters, including trial arrangements and procedure with prosecution agency pending arrival Brit associate prosecutor to be nominated shortly.

BYRNES

<sup>72</sup> General of the Army Douglas MacArthur, Supreme Commander for the Allied Powers (SCAP), Japan.

<sup>73</sup> Joseph B. Keenan, Chief of Counsel for prosecution of war criminals at Tokyo and subsequently Chief of Legal Section, General Headquarters (GHQ), SCAP.

<sup>74</sup> Maj. Gen. Charles H. Gairdner, Head of the United Kingdom Liaison Mission in Japan and the British Prime Minister's personal representative to SCAP.



740.00116 PW/1-746 : Telegram

*The Ambassador in the United Kingdom (Winant) to the Secretary of State*

SECRET

LONDON, January 7, 1946—6 p. m.

US URGENT

[Received 10:50 p. m.]

177. From Hodgson.<sup>75</sup> Australian rep<sup>76</sup> has again proposed that War Crimes Commission charge and list Hirohito, Emperor of Japan, as well as 61 other Japanese leaders, as major Japanese war criminal[s] and has filed long memorandum<sup>77</sup> supporting charging and listing of Emperor (all are charged in Australian proposal with crimes against peace or crimes against humanity). I am informed that copy of Australian list is in US National War Crimes Office in Washington.

Please refer to Embassy cables 8279 and 8280 of August 15, 1945,<sup>78</sup> Commissioner's despatch No. 226 of September 11, 1945,<sup>79</sup> Dept's cable 7163 of August 23, 1945<sup>80</sup> and Dept's despatch No. 17 of September 27, 1945.<sup>81</sup>

Mentioned list and memorandum will probably be considered by Committee I of Commission on morning of January 9 or January 10. UK rep<sup>82</sup> will support motion to adjourn matter in order that it may be studied. Views of other two members of Committee (besides Australian) are unknown.

Information is requested whether Australian Govt has agreed to terms of memorandum mentioned in Dept's despatch No. 22 of Nov 19<sup>83</sup> and agreed to action proposed in identic note mentioned in Dept's despatch No. 19 of Oct 23.<sup>84</sup>

Instructions are requested whether Emperor of Japan and other 61 Japanese named on Australian list should be charged and listed as war criminals as proposed in mentioned Australian list. [Hodgson.]

WINANT

<sup>75</sup> Col. Joseph V. Hodgson, U.S. Commissioner, United Nations War Crimes Commission, London.

<sup>76</sup> Lord Wright, Chairman of the Commission; the Australian Deputy was Alan James Mansfield, Justice of the Queensland Supreme Court.

<sup>77</sup> Not printed.

<sup>78</sup> *Foreign Relations*, 1945, vol. VI, pp. 907 and 909, respectively.

<sup>79</sup> *Ibid.*, p. 924.

<sup>80</sup> *Ibid.*, p. 910.

<sup>81</sup> *Ibid.*, p. 937.

<sup>82</sup> Sir Robert L. Craigie, former British Ambassador to Japan.

<sup>83</sup> Despatch not printed; for memorandum, see Appendix C (enclosure 3) to SWNCC 57/3, September 12 (as amended October 2), 1945, *Foreign Relations*, 1945, vol. VI, p. 926.

<sup>84</sup> Despatch not printed; for identic note, see note to the Chinese Ambassador, October 18, 1945, *ibid.*, p. 947.

740.00116 PW/1-746

*The Acting Political Adviser in Japan (Atcheson) to the Secretary of State*

RESTRICTED

No. 170

Tokyo, January 7, 1946.

[Received January 17.]

SIR: I have the honor to transmit copies, in Japanese (single copy) and in translation, of the note left by Prince Konoye<sup>85</sup> to his second son at the time of his suicide on the night of December 15, 1945. These texts were furnished to this Mission by Mr. Wikawa,<sup>86</sup> a close personal friend of the Prince.

The last paragraph of the note was censored by General Headquarters, SCAP, and hence did not appear in the Japanese press.

Respectfully yours,

GEORGE ATCHESON, JR.

[Enclosure—Translation]

## MEMO LEFT BY PRINCE KONOYE TO HIS SECOND SON

Since the China Incident<sup>87</sup> I have committed many political faults, for which I feel deep responsibility. But I never thought that I would be tried at an American court as a war criminal.<sup>88</sup> It is almost unbearable to me, especially when I think of the fact that I, feeling responsible for the China Incident and thinking its solution the greatest mission I ever had, did everything in my power to make the Japan American negotiations<sup>89</sup> successful, as I came to a conclusion that the troubles between Japan and China could only be solved if we could come to an understanding with America. It is more than regrettable that my name should ever be included in the war criminal list by this very America! However my real intentions would be appreciated by those who know me, and I am quite confident that there might be some of them even in America.

The excitement and exasperation resulting from the war, presumptuous overdoings of the victors, excess humiliation of the defeated, malicious calumnies, rumors and canards based on misunderstandings, etc.—all of them constitute the public opinion which, however, will sooner or later resume calmness and normality. And it will be at that very hour that a fair judgment based on justice be passed on my case at the Court of God.

<sup>85</sup> Prince Fumimaro Konoye, Japanese Prime Minister, June 1937–January 1939, and July 1940–October 16, 1941; State Minister Without Portfolio, August 17–October 9, 1945.

<sup>86</sup> Tadao Ikawa (or Wikawa), attached to the Japanese Embassy in the United States in 1941 to assist the Ambassador (Nomura).

<sup>87</sup> July 7, 1937.

<sup>88</sup> See *Foreign Relations*, 1945, vol. vi, p. 976, footnote 12.

<sup>89</sup> Conversations in 1941 at Washington and Tokyo; see *Foreign Relations*, Japan, 1931–1941, vol. II, pp. 325 ff., and *Foreign Relations*, 1941, vol. IV, pp. 1 ff.

740.00116 PW/1-846 : Telegram

*The Acting Secretary of State to the Chargé in the Soviet Union  
(Kennan)*

SECRET

WASHINGTON, January 8, 1946—4 p. m.

US URGENT

36. Supreme Commander is constituting early in February an international military tribunal in Tokyo to try major Jap war criminals charged with crimes against the peace. Supreme Commander is appointing judges and associate prosecutors as nominated by signatories of Jap surrender instrument. Dept requested such national nominations in identic notes to missions in Washington on October 18, November 20 [21] and December 28.<sup>90</sup> Final note requested nominations by January 5. China and New Zealand have made nominations and UK, Australia, France, Neth and Canada have indicated they expect to participate in the trial and will make their nominations within a few days.

Please reiterate to FonOff this Govt's hope that Soviet Govt will participate in tribunal. You should further state that the Supreme Commander's urgent recommendation that the trial of the major planners and directors of Jap war of aggression begin in early February has been approved.

You should emphasize this Govt not only desires an early opening of trial but expects to avoid protracted proceedings and that it is therefore most important that the Soviet associate prosecutor should join the prosecution agency as soon as possible.

ACHESON

740.00116 EW/1-1046 : Telegram

*The Ambassador in the United Kingdom (Winant) to the Secretary  
of State*

SECRET

LONDON, January 10, 1946—midnight.

[Received January 10—11:45 a. m.]

303. From Hodgson. At meeting of War Crimes Commission, January 9, General de Baer,<sup>91</sup> chairman of Committee 1, reported that Australia had proposed to Committee 1 that it charge and list 62 Japanese major war criminals for crimes against peace and crimes against humanity as mentioned in Embassy cable 177 of January 7, and re-

<sup>90</sup> See *Foreign Relations*, 1945, vol. vi, pp. 947, 975, and 988, respectively.

<sup>91</sup> Dr. Marcel de Baer, Belgian representative, United Nations War Crimes Commission.



requested Commission's ruling on whether Commission's competence included charging and listing persons for crimes against peace and crimes against humanity as defined in London agreement.<sup>92</sup> He stated that he believed Commission's competence did include mentioned crimes. Lord Wright agreed with him and indicated that the matter would be submitted for immediate vote.

I pointed out that inasmuch as Commission had not charged or listed anyone for crimes against peace or crimes against humanity matter was of such importance that representatives should be given opportunity to secure instructions from their Govts. This was imposed [*opposed*] by representatives of Australia, New Zealand, Belgium and Netherlands who believed that term "war crimes" as used in minutes of diplomatic meeting of Oct 20, 1943 was now controlled by Article 6 of Charter annexed to London agreement and therefore included mentioned crimes. They also cited law No. 10 of Control Council for Germany which in substance defines war crimes as including three classes mentioned in Article 6 of Charter. Representatives of UK, China and Norway supported my position and representative of China pointed out that London agreement only applied to European war criminals and that China had not acceded to it.

Lord Wright then stated that matter would be adjourned until meeting of Commission to be held on Jan 23 at which time the Commission would vote upon the question whether its jurisdiction included crimes against peace and crimes against humanity. He pointed out that question could be determined by majority vote and that views of great powers were not controlling.

I also urged that Committee defer action on Australian list and over objections of Australia and Belgium. It was agreed that action by Committee should be deferred until Jan 23, by which time representatives should secure the views of their Govts concerning list.

Sir Robert Craigie informed me that Australians not only want 62 persons charged and listed but propose that after this is done list and charges be released to newspapers.

In view of first paragraph of Dept's 180 of Jan 8<sup>93</sup> received afternoon Jan 9 instructions are requested concerning my vote on question whether Commission has jurisdiction over crimes against peace and crimes against humanity. [Hodgson.]

WINANT

<sup>92</sup> Agreement for establishment of an international military tribunal for prosecution and punishment of major war criminals of European Axis, signed by the United States, France, United Kingdom, and Soviet Union, at London, August 8, 1945; for text, see Executive Agreement Series No. 472, or 59 Stat. (pt. 2) 1544, or United Nations Treaty Series No. 279.

<sup>93</sup> Not printed.

740.00116 PW/1-1246 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

SECRET

Moscow, January 12, 1946—1 p. m.

URGENT

[Received January 12—8:30 a. m.]

123. ReDeptel 36, January 8. Lozovski<sup>94</sup> replied on January 10 to my letter of January 9 in regard to Soviet nominations for International Military Tribunal in Tokyo as follows:

"I have received your letter of January 9, in which notes of Department of State of Oct 18, November 20 [21] and December 28, 1945 are mentioned. I consider it necessary first of all to make it clear that Department of State's note of October 18 treated question of establishment of international tribunals for trial of Far Eastern war criminals while Department of State's note of January 3 (and not December 28 as given in your letter) raises question of appointing judges and prosecutors to International Military Tribunal for trial of chief war criminals of Japan.

"As regards question raised by Department of State concerning participation of representatives of Soviet Union on International Military Tribunal for trial of chief Jap war criminals, I consider it necessary to inform you that Soviet Government within next few days will transmit to Department of State names of Soviet Union's judge and prosecutor on above-mentioned International Military Tribunal.

"Soviet Government proposes to discuss further the date of opening of trial after representatives of countries participating in International Military Tribunal have acquainted themselves with act of indictment."

KENNAN

740.00116 PW/1-1346 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

SECRET

Moscow, January 13, 1946—1 p. m.

PRIORITY

[Received 4:45 p. m.]

127. ReEmbs 123, Jan 12, 3[12] p.m. At Lozovski's invitation I called on him yesterday evening at FornOff.

He referred to our invitation to participate in trial of Japanese war criminals and said that Sov Govt was not adequately informed about this trial. They wished to have copy of indictment and also a list of leading criminals. Furthermore, they were unable to understand position of George [Joseph] B. Keenan, as described to them in Dept's note of Jan [3?] <sup>95</sup> to SovEmb Washington. This note described him,

<sup>94</sup> Solomon Abramovich Lozovsky, Assistant People's Commissar for Foreign Affairs of the Soviet Union.

<sup>95</sup> See note of December 28, 1945, to the Australian Legation, *Foreign Relations*, 1945, vol. VI, p. 988.

in translation received by FornOff here, as Chief of the International Section of Prosecuting Attorneys. What body was this? By whom established? And who, exactly, was Mr. Keenan? Was he an official of United States Government?

I undertook to obtain this information for him as soon as possible and would appreciate early instructions.

May I point out that Russian interest in details of indictment and of list of criminals is more than formal. Russians will not have failed to note press stories such as one which recently appeared in certain American papers concerning document allegedly published by Konoye's son on Jap-Russian agreement for division of Asia; and they will no doubt wish to make certain that no such document, or indeed any evidence mentioning Matsuoka's 1941 Moscow talks<sup>96</sup> and resultant Neutrality Pact<sup>97</sup> or other Jap-Russian exchanges, is adduced in trial by any party in connection with Jap plans for aggression.

KENNAN

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740.00116 PW/1-1346: Telegram

*The Acting Secretary of State to the Chargé in the Soviet Union*  
(Kennan)

SECRET

WASHINGTON, January 15, 1946—6 p. m.

PRIORITY

77. Urtel 123, January 12. Joseph B. Keenan, Assistant Attorney General in charge of Criminal Division, Dept. Justice, 1933-1936, Assistant to Attorney General, 1936-1939 (third ranking officer, Justice Dept.), in private practice since 1939, was designated by President to be Chief of Counsel for prosecution of war crimes in Far East. Keenan functions and derives his authority by virtue of his appointment as Chief of International Prosecution Section at Supreme Commander's Headquarters. Section presently consists of approximately 40 American civilian members Keenan's staff.

China, Canada, New Zealand, Great Britain, and Australia have nominated associate prosecutors, and in some instances assistants, and France and the Netherlands have indicated their nominations will be made shortly.

Present expectation entire court and prosecuting staff will be able speak English. Please reiterate Supreme Commander's request that Soviet Judge and Associate Prosecutor be so equipped.

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<sup>96</sup> Yosuke Matsuoka, Japanese Minister for Foreign Affairs, visited Moscow en route to and from his trip to Germany; for reports of his mission, see *Foreign Relations*, 1941, vol. iv, pp. 915 ff.

<sup>97</sup> Signed at Moscow, April 13, 1941; for text, see Department of State *Bulletin*, April 29, 1945, p. 811. Cf. telegram 763, April 13, 1941, 11 p. m., from Moscow, *Foreign Relations*, 1941, vol. iv, p. 944.



Preparation of list of defendants and the indictment in trial of criminals to be charged with crimes against the peace is presently being considered by International Prosecution Section. It is expected that the several Associate Prosecutors will contribute to this consideration with view to submitting list of defendants and the indictment to be approved by Supreme Commander.

ACHESON

740.00116 P.W./1-1846 : Telegram

*The Acting Secretary of State to the Consul General at Manila (Steintorf)*

RESTRICTED

WASHINGTON, January 18, 1946—1 p. m.

110. For the High Commissioner.<sup>98</sup> Supreme Commander is constituting possibly early next month International Military Tribunal in Tokyo for trial of Japanese war criminals charged with crimes against the peace. Nine signatories of surrender instrument have been asked to nominate judges and associate prosecutors for appointment by MacArthur to Tribunal and to International Prosecution Section. China, Canada, New Zealand, and Australia have made such nominations, and UK has nominated Deputy Associate Prosecutor. France, Netherlands, and Soviet Union have indicated they will make their nominations within few days. Dept. is in agreement with Supreme Commander's suggestion that India and Philippines should not be asked to participate in nomination of judges, but in view war crimes and atrocities committed their respective countries should be asked to nominate associate prosecutors.

Please take up urgently with Philippine Govt. submission suitable nomination to MacArthur in order that Philippine representative may arrive Tokyo in sufficient time to participate in preparation of list of defendants, the indictment and the case now under discussion in International Prosecution Section.

ACHESON

740.00116 PW/1-1846 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

PRIORITY

Moscow, January 18, 1946—5 p. m.

[Received January 18—1:18 p. m.]

173. ReDeptel 36, January 8. Note dated January 18 from Foreign Office states:

"Soviet Govt has appointed to International Military Tribunal in Tokyo for the trial of the chief Jap war criminals Director of Juridical

<sup>98</sup> Paul V. McNutt, United States High Commissioner in the Philippines.

Sciences, Minister S. A. Golunsky as [associate] prosecutor for the Soviet Union and Major General of Justice I. M. Zaryanov as a judicial member of the military collegium of the supreme court of the USSR.<sup>99</sup> They will depart with their staff from Moscow for Tokyo in next few days."

KENNAN

740.00116 PW/1-1746 : Telegram

*The Acting Secretary of State to the Chargé in the Soviet Union  
(Kennan)*<sup>1</sup>

SECRET

WASHINGTON, January 19, 1946—1 p. m.

PRIORITY

110. Urtel 154, Jan. 17.<sup>2</sup> Depts. note of Oct 18 requested nomination of five Soviet judges for appointment by Supreme Commander to such war crimes tribunals as might be found necessary in connection with proposals of the paper attached to the note entitled Policy of the United States in regard to apprehension and punishment of war criminals in Far East. This paper available Moscow as Far Eastern Advisory Commission paper no. 7, Oct. 24, 1945. Note of Nov. 20 [21] requested comments on paper and inquired if nominations were being made. Note of Jan. 3<sup>3</sup> abandoned request for nomination of a panel of judges and requested urgent nomination by Soviet Govt. of judge and associate prosecutor for prompt constitution of International Military Tribunal and Prosecution Section.

Answers to urtel 154 as follows:

1. Functions of International Prosecution Section are preparation of a list of defendants in the principal trial to be charged with crimes against the peace, drawing of indictment, preparation and presentation of the case before tribunal.

2 and 3. Keenan was designated by President in Executive Order signed Nov. 29<sup>4</sup> as "Chief of Counsel in the preparation and prosecution of charges of war crimes against the major leaders of Japan and their principal agents and accessories", and thereafter was appointed by MacArthur as Chief of International Prosecution Section at Supreme Commander's headquarters.

4. It is understood Associate Prosecutors who are present in Tokyo will participate in drawing up final indictment and the list of defendants to be approved by Supreme Commander.

<sup>99</sup> Apparently garbled; Zaryanov was nominated as judge for the Tribunal.

<sup>1</sup> Repeated as No. 62 to Tokyo for Mr. Keenan.

<sup>2</sup> Not printed; it asked for additional data (740.00116 PW/1-1746).

<sup>3</sup> See note of December 28, 1945, to the Australian Legation, *Foreign Relations*, 1945, vol. VI, p. 988.

<sup>4</sup> No. 9660: 10 Federal Register 14591.

5. Travel arrangements underway to bring associate prosecutors to Tokyo as quickly as possible.

6. Procedure as to agrément at Govt level on list of defendants and on the indictment to be prepared by Prosecution Section and aproved by Supreme Commander has not yet been determined.

7. No official decision as to whether court proceedings will be entirely in English.

8. Dept's note of Oct 18 requested that judges to be designated should have command of English. French and Dutch have indicated they expect their Govts to nominate judges and associate prosecutors who will have knowledge of English. It is therefore expected English will be working language in preparation of the case and all informal colloquies among judges.

ACHESON

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740.00116 P.W./1-746 : Telegram

*The Acting Secretary of State to the Ambassador in the United Kingdom (Winant)*

SECRET

WASHINGTON, January 22, 1946—1 p. m.

US URGENT

678. For Hodgson. Urtels 177, Jan 7, and 303, Jan 10. Australian Legation note received Jan 21 forwards "First List of Major Japanese War Criminals"<sup>5</sup> and "proposes that question of final determination of list of accused for trial be handled by Far Eastern Commission".

Australian Govt. has nominated Chief Justice Sir William Webb as Judge and Mr. Justice Mansfield as Associate Prosecutor for International Military Tribunal in Tokyo.

Dept. does not consider War Crimes Commission should proceed at this time with listing or charging with crimes against the peace or humanity as proposed in Australian list in view of Australian proposal this matter be dealt with in Far Eastern Commission. Moreover, it is understood Prosecution Agency established at MacArthur's headquarters, to which all nine signatories of the surrender instrument and Philippines and India are nominating Associate Prosecutors, has been given responsibility of determining list of major war criminals charged with crimes against the peace. This list of defendants will be first group brought before International Military Tribunal shortly to be established in Tokyo. Copy of Charter of this tribunal which

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<sup>5</sup> Neither printed.



has been issued in Tokyo<sup>6</sup> will be forwarded as soon as received in Washington.

ACHESON

740.00116 PW/1-2246

*The Acting Political Adviser in Japan (Atcheson) to the Secretary of State*

SECRET  
No. 222

TOKYO, January 22, 1946.  
[Received February 1.]

SIR: I have the honor to refer to this Mission's despatch No. 117, December 20, 1945,<sup>7</sup> and previous despatches enclosing lists of Japanese war crimes suspects detained or ordered detained by General MacArthur's Headquarters, and to enclose copy of the text of a directive issued to the Japanese Government on January 17, 1946,<sup>8</sup> ordering the arrest and delivery to Sugamo Prison of 110 additional war crimes suspects, including seven generals.

It will be noted that five of these generals, Wachi Takaji, Isogai Rensuke, Sakai Takashi, Kagesa Sadaaki, and Tani Hisao, were named by the Chinese Foreign Office in the list of 12 major Japanese war criminal suspects which it submitted to the United States Government through the Embassy at Chungking last October. Of the Chinese list, nine are detained or have been ordered detained by American forces in Japan; Honjo Shigeru committed suicide after having been ordered arrested last November; and Itagaki Seishiro and Kita Seiichi were last reported in British and Russian hands in Singapore and Manchuria respectively.

Respectfully yours,

GEORGE ATCHESON, JR.

740.00116 PW/1-446

*The Acting Secretary of State to the Indian Agent General (Bajpai)*

The Acting Secretary of State presents his compliments to the Honorable the Agent General for India and refers to his note (F.169/46/C) of January 4, 1946 concerning the desire of the Government of India to urge its claim to nominate an Indian judge to serve on the International Military Tribunal to be appointed for the trial of major Japanese war criminals.

<sup>6</sup> For text of SCAP's proclamation of January 19 on the International Military Tribunal for the Far East and its charter, see Department of State *Bulletin*, March 10, 1946, p. 361.

<sup>7</sup> *Foreign Relations*, 1945, vol. VI, p. 986.

<sup>8</sup> Not printed.

In considering the size of the proposed International Military Tribunal for the trial of major Japanese war criminals, it has been necessary most carefully to weigh the experience of the International Military Tribunal now sitting in Nuremberg, Germany. As a result of this experience it was strongly urged that the Far Eastern Tribunal should be kept as small as possible, and it was even proposed that the court should be limited to judges from the four states accepting the Japanese surrender. Although it may involve a court of as many as nine judges, it was finally determined to limit the court to judges appointed to represent each of the governments signatory to the Japanese surrender instrument, and that not only the nine signatories but also those countries which had suffered war crimes and atrocities at the hands of the Japanese should be invited to designate associate prosecutors who would join in bringing the charges before the tribunal.

Accordingly, it is hoped that the Governments of India and the Philippines will nominate associate prosecutors for appointment by the Supreme Commander to the Prosecution Agency in Tokyo. The nomination of associate prosecutors by Australia, Canada, China, the United Kingdom, and New Zealand have been received and communicated to the Supreme Commander. The Department has been informed that France, the Netherlands, and the Soviet Union expect to make their nominations in the near future.

WASHINGTON, January 23, 1946.

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740.00116 P.W./1-2446

*The Canadian Embassy to the Department of State*

MEMORANDUM

The Canadian Government would appreciate knowing whether the United States authorities would approve an arrangement whereby particular Far Eastern War Criminals now in the area controlled by United States Forces, accused by Canadian Military Authorities of serious war crimes against Canadians, would be tried and punished by United States Military Courts, Canadian military personnel participating, where requested by the United States authorities, in the prosecution. Under United States proposals military courts can only be convened by States now in occupation of areas formerly dominated by Japan. Moreover, under War Crimes Regulations (Canada) Canadian Military Courts can only be convened by senior officers in Command of forces and, since Canada has no occupation force in the Far East, no Courts could be convened in that area. If the United States authorities agree, an officer of a rank not less than

Lieutenant-Colonel could be sent to Tokyo to exercise the following powers and duties:

- (1) To assist in the collection and collation of further evidence of atrocities against Canadians;
- (2) To assist in providing the United States authorities with such available evidence from Canadian sources as may be considered of value to them;
- (3) To request the United States Military authorities to convene Military Courts under their respective regulations for the trial of particular persons within their jurisdiction against whom, in the opinion of the appropriate Canadian military representative, a prima facie case of War Crime against a Canadian has been established;
- (4) To assist in the prosecution of Canadian cases if so authorized by the appropriate United States authority;
- (5) To act in general liaison with United States War Crimes Offices in the Far East.

It would be understood, moreover, that the Canadian Military representative referred to above would be empowered to request from the United States authorities the trial only of persons charged with, or suspected of, having committed a violation of the laws and usages of war, whose alleged criminality has resulted in the death or a permanent disability of a Canadian National, or a member of the Canadian Armed Forces, or whose offence against Canadians is, in other respects, considered to be of a most serious nature.

The United States War Crimes authorities in the Far East, under the proposed arrangement, would of course be entitled to determine whether or not a prima facie case has been established to their satisfaction in any particular instance and to decide whether or not a court should be convened. It is not expected that the number of requests for trial would be large.

WASHINGTON, January 24, 1946.

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S94.001 Hirohito/1-2546 : Telegram

*General of the Army Douglas MacArthur to the Chief of Staff, United States Army (Eisenhower)*<sup>9</sup>

SECRET

TOKYO, 25 January 1946—1:45 p.m.

PRIORITY

[Received January 26.]

CA 57235. Reference WX 93871. Since receipt of WX 85811 investigation has been conducted here under the limitations set forth

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<sup>9</sup> Copy transmitted by the War Department for the information of the Secretary of State and the Under Secretary of State. In a brief memorandum, January 30, the Director of the Office of Far Eastern Affairs (Vincent) wrote Mr. Acheson that this telegram gave General MacArthur's views "on trial of Hirohito as a war criminal. They are negative." Telegram 1059, January 30, 8 p. m., to London, informed the Embassy there and suggested any action "appropriate in order to forestall such development", namely, publicity on the Emperor as a war-criminal suspect (740.00116 E.W./1-2946).



with reference to possible criminal actions against the Emperor. No specific and tangible evidence has been uncovered with regard to his exact activities which might connect him in varying degree with the political decisions of the Japanese Empire during the last decade. I have gained the definite impression from as complete a research as was possible to me that his connection with affairs of state up to the time of the end of the war was largely ministerial and automatically responsive to the advice of his counsellors. There are those who believe that even had he positive ideas it would have been quite possible that any effort on his part to thwart the current of public opinion controlled and represented by the dominant military clique would have placed him in actual jeopardy.

If he is to be tried great changes must be made in occupational plans and due preparation therefore should be accomplished in preparedness before actual action is initiated. His indictment will unquestionably cause a tremendous convulsion among the Japanese people, the repercussions of which cannot be overestimated. He is a symbol which unites all Japanese. Destroy him and the nation will disintegrate. Practically all Japanese venerate him as the social head of the state and believe rightly or wrongly that the Potsdam Agreements were intended to maintain him as the Emperor of Japan. They will regard allied action [to the contrary as the greatest<sup>10</sup>] . . . betrayal in their history and the hatreds and resentments engendered by this thought will unquestionably last for all measurable time. A vendetta for revenge will thereby be initiated whose cycle may well not be complete for centuries if ever.

The whole of Japan can be expected, in my opinion, to resist the action either by passive or semi-active means. They are disarmed and therefore represent no special menace to trained and equipped troops; but is [it] is not inconceivable that all government agencies will break down, the civilized practices will largely cease, and a condition of underground chaos and disorder amounting to guerilla warfare in the mountainous and outlying regions result. I believe all hope of introducing modern democratic methods would disappear and that when military control finally ceased some form of intense regimentation probably along communistic line would arise from the mutilated masses. This would represent an entirely different problem of occupation from those now prevalent. It would be absolutely essential to greatly increase the occupational forces. It is quite possible that a minimum of a million troops would be required which would have to be maintained for an indefinite number of years. In addition a complete civil service might have to be recruited and imported, possibly running into a size of several hundred thousand. An overseas

<sup>10</sup> Words in brackets supplied by Department of Defense.

supply service under such conditions would have to be set up on practically a war basis embracing an indigent civil population of many millions. Many other most drastic results which I will not attempt to discuss should be anticipated and complete new plans should be carefully prepared by the Allied powers along all lines to meet the new eventualities. Most careful consideration as to the national forces composing the occupation force is essential. Certainly the US should not be called upon to bear unilaterally the terrific burden of manpower, economics, and other resultant responsibilities.

The decision as to whether the Emperor should be tried as a war criminal involves a policy determination upon such a high level that I would not feel it appropriate for me to make a recommendation; but if the decision by the heads of states is in the affirmative, I recommend the above measures as imperative.

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740.00116 P.W./1-2646: Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

SECRET

Moscow, January 26, 1946—6 p. m.

[Received January 28—1:11 p. m.]

257. ReEmbs 213, Jan 24, noon.<sup>11</sup> Was called to FonOff today by Acting Chief of American Section<sup>12</sup> who wished to talk further about Japanese war criminal trial. He said Soviet representatives (Embs 173, Jan 18, 5 p. m.) were ready to proceed to Tokyo at any time but before sending them Soviet Govt would like to have further information as to our plans for charter of court. Did we envisage that this would be identical with that of Nuremberg trial? If not, in what respects would it differ? I pointed out that it was to be one of functions of international prosecution section to prepare charter and that our people doubtless hoped for the early arrival of Soviet representatives in order that this question could be discussed with them. To this he replied that if we insisted that their presence was necessary to complete this discussion and could give them no information here in Moscow at this time, they would send their people anyway. But he emphasized that they would much prefer to receive some indication of our intentions with respect to Charter before their representatives left Moscow.

Since Soviet representatives will presumably be held here until something further is heard on this subject, I hope Dept will be able

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<sup>11</sup> Not printed; it reported that action was taken in accordance with Department's instructions (740.00116 PW/1-2446).

<sup>12</sup> Konstantin Alexandrovich Mikhailov, Chief of the Latin American Section, was acting at this time.

to let me know at once what I may tell Soviet authorities on this point.

Incidentally, I was told on this occasion that Tsarapkin, head of American Section, has gone to Korea.

KENNAN

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740.00116 PW/1-2946 : Telegram

*The Ambassador in the United Kingdom (Winant) to the Secretary of State*

SECRET

LONDON, January 29, 1946—5 p. m.

[Received January 29—3 : 34 p. m.]

1075. From Hodgson. Reference Dept's cable 678, January 22. The Australian list of Japanese major war criminals is on agenda of Committee I meeting and of Commission meeting, both to be held January 30. Mr. Bridgland,<sup>13</sup> assistant to Australian representative, stated this morning that as a courtesy to the U.S. representative, he would take this subject off the agenda of the meetings to be held January 30. He also said that in the view of his Government, the functions of the United Nations War Crimes Commission are different from those of the Far Eastern Commission and the prosecution agency established at MacArthur's Headquarters and that he would therefore present the Australian list to the Commission and to Committee I at the earliest possible moment, not later than the regular meeting to be held on February 6, and that he might even press for a special meeting on February 1. [Hodgson.]

WINANT

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740.00116 PW/1-2646 : Telegram

*The Secretary of State to the Chargé in the Soviet Union (Kennan)*

SECRET

WASHINGTON, January 30, 1946—8 p. m.

US URGENT

174. Urtel 257, Jan. 26. Charter of Far Eastern International Military Tribunal issued by Supreme Commander Jan. 19. Text will be forwarded to Moscow as soon as authentic copy received Washington. Unofficial text received Washington indicates charter very closely follows Nuremberg provisions. British prosecuting staff, which left Washington for Tokyo Jan. 26, were advised that it was not intended to preclude further consideration of charter provisions upon their arrival in Tokyo. Similar assurances should be given Soviet repre-

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<sup>13</sup> Flying Officer Geoffrey S. Bridgland, Australian Air Force, deputy representative for Australia on the Commission. Judge Mansfield had been nominated associate prosecutor of the International Military Tribunal at Tokyo.



sentatives. It is requested you urge FonOff to arrange departure of Soviet representatives immediately in order that they might join discussions now proceeding and shortly to be internationalized in Tokyo.

BYRNES

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740.00116 P.W./1-3146 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

SECRET

Moscow, January 31, 1946—5 p. m.

PRIORITY

[Received 10:43 p. m.]

306. In another interview with Acting Chief of American Section of FonOff I spoke to him along lines of Dept's 174, Jan 30 (concerning participation of Soviet Govt in Japanese war criminals trial). He stated frankly that this information was not sufficient for Soviet purposes. They wish to know precisely in what respects charter (issuance of which by Supreme Commander had already been made known to them by their Washington Embassy) differs from that of Nuremberg Court. They are particularly interested in question of status of their associate prosecutor. They want to know whether he is to act independently, as at Nuremberg, or as an agent of chief prosecutor. Instructions he receives here and materials he will take with him will depend on this point.

Knowing general Russian insistence on complete clarity and exactness in matters of this nature, I think quickest way for us to get action is to give them as complete information as possible on charter and on any other measures of preparation for this trial which may have been taken.<sup>14</sup>

KENNAN

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740.00119 PW/1-2346

*Memorandum of Conversation, by Mr. Albert H. Garretson, Assistant to the Legal Adviser (Hackworth)*

[WASHINGTON,] February 4, 1946.

Participants: Sir Girja Bajpai, Indian Agent General;  
Mr. Vincent, FE,  
Mr. Garretson, Le

Sir Girja Bajpai called on February 2 to advise the Department informally that his Government had instructed him to refer to the Far

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<sup>14</sup> In its telegram 114, February 2, 6 p. m., (740.00116 PW/1-2646) the Department instructed the Acting Political Adviser in Japan to suggest to Mr. Keenan that the Charter of January 19 be cabled textually to Moscow and Washington and also requested prompt suggestions in reply to Moscow's telegrams 257, January 26, and 306, January 31.

Eastern Commission the question of the Indian request for the inclusion of an Indian judge on the Far Eastern International Military Tribunal. Sir Girja indicated that his Government was dissatisfied with the Department's reply of January 23, 1946 to the Indian Agency General's note of January 4 requesting that the Indian Government should nominate a judge and be entitled to equal representation on the tribunal. Sir Girja stated that he did not want to request that the matter be placed on the agenda of the Far Eastern Commission without advising the Department and it was replied that there was no reason why this step could not be taken if the Indian Government wished to do so.

Sir Girja also indicated that although he had not heard from his Government, it was probable that the Indian appointment of an associate prosecutor might be withheld pending discussion in the Far Eastern Commission of the nomination of a judge. That the early appointment of an Indian prosecutor would permit his full contribution to the planning and preparation of the trial was pointed out, and Sir Girja stated that he would again mention this matter to his Government.

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740.00116 P.W./1-1746

*The Secretary of State to the Australian Minister (Eggleston)*<sup>15</sup>

The Secretary of State presents his compliments to the Honorable the Minister of Australia and has the honor to refer to his note no. 4/46 of January 17, 1946<sup>16</sup> forwarding the Australian Government's First List of Major Japanese War Criminals and proposing that the final determination of the list of accused for trial be handled by the Far Eastern Commission.

In the view of the United States Government, the function of the Far Eastern Commission in the matter of war criminals would be limited to the formulation of the policies, principles, and standards under which the war criminals in the Far East are to be apprehended, tried, and punished. It is not believed that the Far Eastern Commission would be the appropriate agency for the final determination of the list of the accused for trial in Japan. The location of the Commission in Washington and the type of personnel likely to be provided to staff its work would make it difficult for the Commission to undertake the detailed task of examining the evidence which would have to be sent very largely from Japan to determine finally a list of individuals to be brought to trial. It is rather believed that the International Prosecution Section of the Supreme Commander's headquarters in Tokyo, now

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<sup>15</sup> Reported by the Department in its telegram 1423, February 12, 1946, 2 p. m., to London, for Colonel Hodgson.

<sup>16</sup> Not printed.

in the process of being internationalized by the addition of representatives of the governments of the signatory powers, including the Australian representative, Justice Mansfield, should continue its present task of gathering and assessing the evidence now available in Tokyo with a view to recommending to the Supreme Commander the list of Japanese war criminals to be indicted and tried before the International Military Tribunal to be constituted in Tokyo. In the course of these discussions the Australian representative will presumably bring additional information and the views of the Australian Government to the attention of the International Prosecution Section.

WASHINGTON, February 5, 1946.

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740.00116 EW/2-646: Telegram

*The Ambassador in the United Kingdom (Winant) to the Secretary of State*

SECRET

LONDON, February 5, 1946—4 p. m.

US URGENT

[Received 5:25 p. m.]

1391. Subject of Dept's 1059, Jan 30<sup>17</sup> was taken up with Mr. Attlee<sup>18</sup> who agreed that no action ought to be taken by War Crimes Commission that might result in publicity on the possibility of Emperor being charged as war criminal. Prime Minister arranged for us to see Foreign Office experts handling war crimes with whom matter was also discussed. Foreign Office has conferred with Lord Wright and Sir Robert Craigie and strongly urged postponement of consideration of Australian list of major war criminals by the Commission. Hodgson has been kept fully informed.

WINANT

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740.00116 EW/2-646: Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

SECRET

MOSCOW, February 6, 1946—3 p. m.

PRIORITY

[Received 6:01 p. m.]

356. ReEmbs 306, January 31. Lozovski has written me long letter dated February 5, concerning trial of Jap war criminals, translation of which follows:

"During your conversation on January 31 with the Chief of the American Section of the People's Commissariat for Foreign Affairs of the USSR, K. A. Mikhailov, you informed him that there was as yet no final text of the charter of the International Tribunal for the trial of principal war criminals of Japan but that there was only

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<sup>17</sup> See footnote 9, p. 395.

<sup>18</sup> Clement R. Attlee, British Prime Minister.



a preliminary text, which closely approximates the text of the Charter of the Nuremberg Tribunal.

"However, according to our information, Jap newspapers published on January 23 an order of General MacArthur on the creation of an International Military Tribunal in Tokyo, to which order was appended a Charter of the Tribunal, differing essentially in a number of points from the Charter of the Nuremberg Tribunal. If this text of the Charter published in Tokyo is the preliminary text of which you spoke, I consider it necessary to inform you of those comments which this text elicits from the Soviet side:

"1. In Article II of the Charter published in Tokyo, it is stated that the Tribunal shall consist of not less than five and not more than nine members, appointed by the Supreme Commander for the Allied Powers from among persons nominated by the countries which signed the document on Japan's capitulation. Nothing is stated in this article concerning the deputies of the members of the Tribunal. However, in paragraph A, Article IV, of the Charter, it is stated that to obtain a necessary quorum the presence of a majority of the members of the Tribunal is sufficient.

"It follows from this that if during the trial the USSR member of the Tribunal were deprived for any reason of the opportunity to participate in a meeting of the Tribunal, this meeting would continue without the participation of the Soviet representative, which cannot be agreed to. In this connection we believe it necessary that there be present at the trial, in addition to the members of the Tribunal, their deputies, who could substitute for them if necessary.

"2. Point 8 of the above-mentioned Charter contains a provision that the responsibility for the investigation and indictment lies solely with the chief prosecutor appointed by the Supreme Commander. The prosecutors appointed by all the other United Nations are only his assistants and their role becomes merely that of helping the chief prosecutor in his work.

"There is no objection from the Soviet side to the appointment of the chief prosecutor by the Supreme Commander on the condition that the Soviet prosecutor (as well as the prosecutors of the other Allied powers) must be guaranteed the possibility of active participation in the conduct of the trial, and in particular:

"a. The act of indictment must be ratified and signed by all the prosecutors. In the event of a division of the votes Article XIV of the Nuremberg Charter must be applied, namely: that upon a division of votes on the question of determining the persons subject to the judgement of the Tribunal or the crimes of which they will be accused, there shall be adopted the proposal of that party which has proposed to hand over the accused to the Court or to present to it definite accusations.

"b. Each prosecutor must have the right to present to the Tribunal all the evidence which he finds necessary, notifying beforehand all the other prosecutors about this evidence.

"c. Each prosecutor must have the right to preliminary interrogation of those witnesses and accused whom he finds it necessary to examine and the right to familiarize himself with the protocols of examinations conducted by the other prosecutors.

"d. Each prosecutor must have the right to an introductory as well as to a concluding speech. Each prosecutor must have the right in those cases, where he finds it necessary, to be replaced by any one of his assistants.

"3. Paragraph (c) Article IX of the Charter published in Tokyo contains the provision that the Court proceedings will be conducted in the English language and in the language of the defendant. There is no objection from the Soviet side to this regulation, if the Soviet representatives will be given the opportunity to speak and to propose questions in the Russian language with simultaneous translation into the English language.

"4. It follows from Article XIV of the above-cited charter that not only a trial in Tokyo of the principal Jap war criminals is contemplated but also a series of other trials at other places.

"I believe it necessary to explain that the Soviet representatives, about whose appointment the Embassy of the US was informed in a *note verbale* of January 18<sup>19</sup> were designated for participation in the first trial in which the principal war criminals of Japan are to be brought to justice."

Not being in possession of text of either this or Nuremberg charters, I am in no position to discuss this further with Soviet FonOff and recommend that our position be explained in detail to Soviet Embassy in Washington. We would appreciate being kept informed of any discussions on this subject that may take place with Russians in Washington or elsewhere.

KENNAN

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740.00116 EW/2-646 : Telegram

*The Secretary of State to the Acting Political Adviser in Japan*  
(Acheson)

SECRET

WASHINGTON, February 9, 1946—noon.

PRIORITY

140. For Keenan. Following telegram received from Moscow, Feb. 6:

[Here follows text of telegram 356, printed *supra*.]

Reference point 1. Although Dept without exact information past experience suggests Soviet group will be sizeable. You may therefore wish to propose that a member of Soviet staff be designated as alternate judge. If this arrangement is acceptable it should be discussed with other prosecutors.

Reference point 2. Paragraph a, first sentence, is not in accordance with Article 14, Nuremberg charter, which provides for majority vote in five matters, one of which is approval of act of indictment.

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<sup>19</sup> See telegram 173, January 18, 5 p. m., from Moscow, p. 390.

Reference to second sentence, paragraph *a*, French and English texts of Nuremberg charter make final provisions of Article 14 dependent upon equal division of vote whereas Russian text does not include word equal, but "division" as used in Russian would normally be construed in context to mean an equal division.

Subject to clarification of above points Soviet observations appear to be reasonable. Your suggestions requested to provide basis for recommended discussion of matter with Soviet Embassy, Washington.

Urgent reply necessary.

BYRNES

740.00116 PW/2-946 : Telegram

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

SECRET

TOKYO, February 9, 1946.

[Received February 10—4:15 p. m.]

94. ReDeptel 114, February 2.<sup>20</sup> Copies of Charter of International Tribunal forwarded by airmail by Headquarters to Judge Advocate General January 21 and by this office to Department by despatch number 221, January 22.<sup>21</sup> Presumed these have been received already and copy forwarded Moscow, and because probable garbles in transmission not being radioed.

Regarding status of associate prosecutors, SCAP advises International Prosecution Section functions as staff section of SCAP Headquarters with Mr. Keenan as Chief of Section. Associate prosecutors do not act independently but in association with chief prosecutor.

Following from Mr. Keenan:

"Departures from Nuremberg type charter have been designed to conform to events and circumstances existing here differing from those in Europe. Please say to Russian Authorities for International Prosecution Section that Russian contribution to the court and prosecution will be warmly welcomed, that the nature of case as here developed would not be at all appropriate to individual nations prosecuting separate cases through such individual nations prosecutors. Nevertheless full consideration will be given to views expressed by prosecutor nominated by each nation and we feel that there will be accord as to procedure and substance of the case as planned.

Please expedite departure of judge nominated and prosecutor nominated, especially the latter, that we may be permitted to discuss mutually concerned matters seasonably to avoid undue delay in these trials, which would severely militate against their effectiveness."

BISHOP

<sup>20</sup> See footnote 14, p. 399.

<sup>21</sup> Despatch not printed.



740.00116 PW/2-1146: Telegram

*General of the Army Douglas MacArthur to the Secretary of State* <sup>22</sup>

SECRET

Tokyo, February 11, 1946.

URGENT

[Received February 11—2:10 p. m.]

CA 57758. Reference Lozovski letter translated in State serial 140 <sup>23</sup> in the order of points raised:

Charter has been officially published by SCAP but amendment is not precluded. However, since it is anticipated that there will be nine members of the tribunal, seven countries each having already nominated one, it is still believed that the addition of an alternate for each member will unduly handicap and make unwieldy the administration of the tribunal and accentuate the housing problem which is critical in Tokyo. View of size of tribunal and policy of hastening trial it was decided that the occasional absence of one or two members at any one time during trial should not delay proceedings. Trial will take place in spring when there should [apparent garble] prosecutor has the right to present any evidence he believes necessary and is entitled to any addition to specific charges against any accused, subject to the majority vote of prosecutors.

Each prosecutor is being given right to preliminary interrogation of any witness or suspect, but all of above is subject to the determination and ruling by SCAP, who will necessarily have the obligation of passing upon individuals to be named defendants as well as those to be interrogated where matters of policy involving implementing the surrender or occupation may so require.

It is hoped Russian prosecutor will arrive as speedily as possible to assist in determining form of examination of witnesses. It is also agreeable that each prosecutor may make such introductory remarks and concluding speech as he may desire and may be replaced by an assistant. It is not anticipated that simultaneous translation system of Nuremberg will be employed here, since other countries have obligingly nominated English-speaking judges. However, there is no objection to having Russian prosecutor present questions or address court through English-speaking interpreter.

Article 14 concerning trial in Tokyo follows Nuremberg Charter Article 22. No other trial now contemplated before this tribunal: which is intended to include in one trial all major war criminals and especially those in category A. It is intended to present all important and pertinent evidence against each defendant. All prosecutors will be accorded the utmost consideration as to defendants to be tried and evidence to be introduced.

MACARTHUR

<sup>22</sup> Transmitted through the War Department.

<sup>23</sup> February 9, noon, p. 403.

740.00119 Control (Japan)/2-2646

*Memorandum of Conversation, by Mr. Karl C. Leebrick, of the Office of the Political Adviser in Japan* <sup>24</sup>

[Tokyo.] February 12, 1946.

Subject: Views of Mr. Yada <sup>25</sup> on Political Situation.

Mr. Yada is a graduate of Tokyo Imperial University, a career diplomat who has served as Consul at Mukden; Second Secretary at London, Consul General at London, San Francisco, and Shanghai; Minister to Switzerland; Privy Councillor to "Manchoukuo". He was appointed President of Tung Wen College at Shanghai in September, 1940.

Mr. Yada called on me at my office and during the course of a friendly conversation made a number of statements, of which the following is the gist:

Prince Konoye saw General MacArthur <sup>26</sup> soon after the occupation began in August last year. The Prince was very pleased with the interview. He felt that General MacArthur had encouraged him to continue his leadership and that the Occupational authorities had recognized him as a liberal even though it was known that he was one of the leaders during the war. On this basis the Prince attempted to cooperate with the Occupational authorities and took leadership in constitutional revision.

Hence, when the directive was published listing Prince Konoye as a war criminal,<sup>27</sup> he was deeply disappointed and shocked. He expressed to friends the belief that this decision had come from a higher authority than General MacArthur, that it was somewhat contrary to the Supreme Commander's desires, and that it was an ill-advised way to deal with Japan. Prince Konoye felt that he was a liberal and that he had done all that he could to check the militarists. He felt that listing him as a war criminal carried the Occupation policy too far; that many Americans understood what he (the Prince) had been attempting to do. He took great comfort from this, at the same time regretting that the Japanese, as a vanquished people, had for the time being lost their equilibrium and were flattering the Occupation leaders and currying their favor.

Mr. Yada explained at some length his close friendship with Prince Konoye. He spoke particularly of an interview he had had in the summer of 1943 when he came back to Japan from Shanghai on vacation. He arranged an interview with Prince Konoye because he felt

<sup>24</sup> Copy transmitted to the Department in covering despatch 280, February 26, from Max W. Bishop of the Office of the Political Adviser in Japan; received March 6.

<sup>25</sup> Shichitaro Yada.

<sup>26</sup> October 4, 1945; see telegram 31, October 10, 1945, from the Acting Political Adviser in Japan, *Foreign Relations*, 1945, vol. VI, p. 739.

<sup>27</sup> December 6, 1945; see footnote 12 to despatch 79, November 30, 1945, *Foreign Relations*, 1945, vol. VI, p. 976.

compelled to say to him some things which he knew might be very unpleasant to the Prince and which he expected might end their friendship. In the two-hour talk Mr. Yada discussed with the Prince the general situation and pointed out that the Prince's greatest drawback was that he could not say "No" in a positive way, and that if it became necessary, he should resign his office in an effort to uphold his idea of what was right. Mr. Yada told him that if he did this he would receive liberal support and that the war would then have to come to an end. Mr. Yada said he referred to the Meiji revolutionary Prince Yuwakura as an example Konoye should follow and pointed out that Prince Yuwakura took responsibility. Mr. Yada explained that what Japan needed at the time was a strong man who could say "No" to the military authorities.

(In an aside, Mr. Yada gave the opinion that prior to 1941 Prince Konoye could have checked the war by positive action.)

Prince Konoye was reported as being unhappy about what had been told him but remained friendly.

Mr. Yada reported the substance of this conversation to Count Makino,<sup>28</sup> who recommended that Mr. Yada should propose a Japanese commission to meet with a United States commission in Hawaii or elsewhere, with President Roosevelt present if possible. However, at this time Mr. Yoshida<sup>29</sup> was seized by the Japanese police. As Mr. Yoshida's wife is the eldest daughter of Count Makino, the Count asked Mr. Yada to see Prince Konoye to try to find out why Mr. Yoshida was arrested. Prince Konoye told Mr. Yada that the Emperor had asked him (Prince Konoye) to have a private interview on the war situation and that he had told the Emperor that since he himself was not a military person he could not give information on the military situation. Konoye did state to the Emperor, however, his belief that if the war went on there was no hope of victory, that peace was necessary to save Japan, and that the offer of peace should be made at once because each day's delay made the situation more serious.

Mr. Yada reported that Mr. Yoshida had asked Prince Konoye for a memorandum of this talk with the Emperor in order to show it to Count Makino. Mr. Yada did not think that such a memorandum was made. Military authorities learned of these conversations and arrested Mr. Yoshida in order to find out, if possible, what was going on. Count Kobayama<sup>30</sup> later told Mr. Yada that

<sup>28</sup> Count Nobuaki Makino, former Japanese Minister for Foreign Affairs, member of the House of Peers; Lord Keeper of the Privy Seal until December 1935.

<sup>29</sup> Shigeru Yoshida, member of the Japanese House of Peers, 1940, and former Ambassador in the United Kingdom; Minister for Foreign Affairs, September 17, 1945.

<sup>30</sup> Count Aisuke Kabayama, member of the Japanese House of Peers, 1932.



the Japanese military authorities had failed to find any documents or get the evidence they desired from Mr. Yoshida. Mr. Yada stated that the police had wished to arrest Prince Konoye but had not dared because of fear of foreign and domestic repercussions. They did seize many people surrounding the Prince and got what information they could from them.

These facts were reported to Count Makino by Mr. Yada, and the Count advised Prince Konoye to leave Tokyo at once—which he did, going by car to Odawara.

Mr. Yada spoke of a letter which he wrote to the Prince after the surrender, strongly criticizing the Government on three points:

First, the reported intention of the Cabinet to ask Prince Konoye to represent Japan in China as head of a mission of "apology or conciliation". Mr. Yada pointed out that this was an improper policy, that it was time to act and not to talk. He recommended that the Prince stop this movement, and if he were asked to head such a mission to refuse. At this time the Higashi-Kuni<sup>31</sup> Cabinet fell and Mr. Yoshida became Foreign Minister, whereupon Mr. Yada gave the above facts to Mr. Yoshida.

The second point was objection to the use by Cabinet members and other Government officials of phrases such as "end of hostilities", "end of the war", etc. and not the use of frank language which indicated the fact of unconditional surrender. Mr. Yada urged the Prince to tell the people that Japan was defeated and had surrendered unconditionally. If these facts were not made known to the people, Mr. Yada felt it would take a long time to reconstruct Japan.

Third, Mr. Yada expressed his opinion that Mr. Shigemitsu<sup>32</sup> should not become Foreign Minister since he was author of the policy of "Asiatic cooperation"; that his whole career was against him; and that he gave the wrong impression both to the people and Occupational authorities.

He said that Prince Konoye did not reply to the letter but when he saw him at a meeting Prince Konoye thanked him for taking the trouble to write. Mr. Yada then recalled that in September of 1943 he had told Count Makino that the only way out of the war was unconditional surrender. Count Makino apparently was surprised by the statement but did not make comment. Mr. Yada stated that he made similar statements to a number of other leaders which led Count Makino to ask Mr. Yada to come to see him. He told him that he must

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<sup>31</sup> Prince Naruhiko Higashi-Kuni, Japanese Prime Minister, August 17–October 9, 1945.

<sup>32</sup> Mamoru Shigemitsu, Japanese Minister for Foreign Affairs, 1943–April 5, 1945, and August 17–September 17, 1945; he signed the Japanese surrender on September 2, 1945.

be careful, that what he was recommending was not pleasing to some of those in power and might cause him difficulty.

Mr. Yada then stated that since the Occupation began most thinking Japanese approved the directives and the over-all policies. He felt that he was in a position to appreciate the United States' foreign policies *vis-à-vis* Europe and the Orient and felt they were fair. This was a prelude to his remark that on some minor points he felt the directives had been in error and that these mistakes could have been avoided. He gave two examples: First, that an Occupational authority spokesman had stated that a Mitsubishi official had bribed or given a large sum of money to Tojo.<sup>33</sup> After investigation, this allegation proved erroneous, and the matter made a very unfavorable impression on many Japanese. Second, he felt there were a number of mistakes in the January 4 directive relating to the list of individuals and organizations as cooperating with the military. He said that the directive referred to the "Governor General of Indo-China", but that there was no such Japanese official, that Japan had only an Embassy there. He pointed out that the Japanese noticed these errors and that they had an unfortunate effect.

Mr. Yada stated that he would be happy to be of service to the Occupational government and said that Makino, Shidehara,<sup>34</sup> and Matsudaira<sup>35</sup> could speak for him. Prince Konoye had told him that he had spoken to Occupational authorities about Mr. Yada's qualifications soon after the Occupation began.

KARL C. LEEBRICK

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740.00116 PW/2-946 : Telegram

*The Secretary of State to the Chargé in the Soviet Union (Kennan)*

SECRET

WASHINGTON, February 13, 1946—4 p. m.

US URGENT

281. Following two messages received in reply Deptels communicating to Tokyo urtel 257, Jan. 26, Deptel 174, Jan. 30, urtel 306, Jan. 31, and urtel 356, Feb. 6.

[Here follow texts of telegram 94, February 9, from Tokyo, printed on page 404, and telegram CA57758, February 11, from Tokyo, printed on page 405.]

Dept. fully appreciates difficulties your position but believes changing channel at this stage to negotiations through Soviet Embassy

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<sup>33</sup> Gen. Hideki Tojo, Japanese War Minister, July 22, 1940, and Prime Minister, October 18, 1941–July 18, 1944.

<sup>34</sup> Baron Kijuro Shidehara, Japanese Prime Minister, October 9, 1945.

<sup>35</sup> Tsuneo Matsudaira, former Japanese Ambassador in the United Kingdom; Minister of the Imperial Household, 1936–June 9, 1945.

would cause delay. Please communicate views MacArthur and Keenan [*Keenan*] in which Dept. concurs to FonOff and urge early Tokyo departure Soviet delegation. Nuremberg charter in Dept's *Bulletin*, Aug. 12.<sup>36</sup> Tokyo charter being forwarded airmail.

Suggest further tels. to Dept. this subject be repeated Tokyo Acting Political Adviser, for Keenan.

BYRNES

740.00116 PW/2-1446 : Telegram

*The Counselor of Embassy in China (Smyth) to the Secretary of State*

SECRET

CHUNGKING, February 14, 1946—2 p. m.

[Received February 15—2:08 p. m.]

296. List No. 2 of major Japanese war criminals, named by Chinese Govt in Foreign Office note February 11, consists of following 21 names (first list major war criminals transmitted Embassy's 1837, October 20, 1945<sup>37</sup>): (1) General Jiro Minami, (2) General Sadao Araki, (3) Baron Kichiro Hiranuma, (4) General Nobuyuki Abe, (5) Admiral Mitsumasa Yonai, (6) [General] Kuniaki Koiso, (7) Admiral Shigetaro Shimada, (8) Koki Hirota, (9) Yosuke Matsuoka, (10) Shigenori Togo, (11) General Yoshijiro Umezu, (12) General Iwane Matsui, (13) Marshal Juichi Terauchi, (14) Lieutenant General Kadoya Mudakuchi, (15) Masayuki Tani, (16) General Otozo Yamada, (17) Hachiro Arita, (18) Kazui Aoki, (19) Admiral Nobumasa Suetsugu, (20) General Juzo Nishio and (21) [General Masazo] Kawanabe.

Foreign Office understands that with exception of Masayuki Tani who has already surrendered to Chinese authorities and Kuniaki Koiso, reported to have committed suicide,<sup>38</sup> most of remaining criminals have been arrested. Foreign Office requests that list be referred to Headquarters Allied Forces, Japan, to investigate each case, arrest those not yet arrested, and have them dealt with in accordance with law. Despatch follows<sup>39</sup> containing names in Japanese and charges.

SMYTH

<sup>36</sup> The charter and agreement relating thereto were signed at London on August 8, 1945. For text, see Department of State *Bulletin*, August 12, 1945, p. 223.

<sup>37</sup> *Foreign Relations*, 1945, vol. VI, p. 948.

<sup>38</sup> General Koiso, Prime Minister from July 1944 to April 1945, did not commit suicide.

<sup>39</sup> Not printed.



740.00116 PW/2-1446 : Telegram

*The Ambassador in the United Kingdom (Winant) to the Secretary  
of State*

SECRET

LONDON, February 14, 1946—3 p. m.

US URGENT

[Received 6:57 p. m.]

1859. From Hodgson. At meeting of War Crimes Commission held on Feb 13 Prof Bailey<sup>40</sup> of Australia urged that War Crimes Commission prepare and adopt list of major Japanese war criminals using Australian list as basis. Please refer to Emb cable 1410, Feb. 5.<sup>41</sup> He based his argument on decision made at Commission meeting of Sept 24, 1944, lists 7 and 9 of War Crimes Commission, recommendations contained in C. 145 (1),<sup>42</sup> and contention that Commission will fail to discharge its responsibilities if it does not do so. I pointed out that Commission did not have sufficient evidence before it to take proposed action and urged that Australian list be referred to Far Eastern Commission at Tokyo,<sup>43</sup> which presumably had such evidence available to it, with a note stating that while War Crimes Commission had jurisdiction it was felt that due to the circumstances Far Eastern Commission was appropriate body to act upon Australian list and requesting Far Eastern Commission to examine the list and furnish report to War Crimes Commission. It was also stated that if Far Eastern Commission declined to act that then War Crimes Commission could attempt to prepare list as best it could. This view was supported by Netherlands, France, China and UK and was adopted by Commission over Australian objections.

Australians finally requested Commission to furnish Australia with advice as to list on basis of evidence available in London, namely which of the persons named on Australian list it believes are probably war criminals and which of them it does not believe are war criminals and which of them it does not have sufficient evidence upon which to base an opinion, etc. This proposal was opposed by me, but will be considered at Commission meeting to be held on Feb 20.

My contention was based on view expressed in Dept's cable 678 of Jan 22 where it was stated that Commission should not act because of Australian proposal that Far Eastern Commission should deal with matter. No dissent from Australian proposal was expressed by Dept and context of wire clearly implies that it had Dept's approval for otherwise I would not be advised to maintain such a position. I was therefore surprised to receive on Feb 15 Dept's cable 1423 of Feb 12<sup>44</sup>

<sup>40</sup> Representing the Australian Department of External Affairs.

<sup>41</sup> Not printed.

<sup>42</sup> August 29, 1945; for text, see *Foreign Relations*, 1945, vol. vi, p. 913.

<sup>43</sup> The Commission had been on a visit to Tokyo from Washington.

<sup>44</sup> See footnote 15, p. 400.

stating that US Govt had informed Australian Govt that US did not believe that Far Eastern Commission is the appropriate agency to determine finally the list of Japanese accused.

Australian rep will be advised of Dept's position expressed in note to Australian Govt very soon and entire matter will probably be reopened at Commission meeting to be held on Feb 20 or perhaps before then. In view of Commission's jurisdiction, Australian desires and Dept's note to Australian Govt, in my opinion there is very little possibility of preventing Commission from preparing or adopting list if matter is reopened.

Inasmuch as Commission must take some action even if it is only to refer matter to another Commission will you please furnish clear instructions stating precisely the position of the US and the action, if any, it desires the War Crimes Commission to take in respect of list which Australia is urging Commission to adopt. Such instructions were requested in Emb's 177 of Jan 7.

Please advise immediately name and address of Commission in Tokyo which has jurisdiction to prepare lists of major Japanese war criminals in order that War Crimes Commission can send Australian list and mentioned note to it.

Also please send charters or agreements setting forth respective jurisdictions of several commissions or committees dealing with Japanese war crimes. [Hodgson.]

WINANT

740.00119 PW/2-1646

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

CONFIDENTIAL

No. 259

Tokyo, February 16, 1946.

[Received February 25.]

SIR: I have the honor to enclose a memorandum of conversation between Mr. Sakomizu<sup>45</sup> and some members of this office. Mr. Sakomizu mentioned certain events which would support the thesis that the Emperor was personally opposed to the war, but refrained from official action to prevent war because of the theory that the Emperor should not himself make decisions but should accept the advice of his Ministers who are responsible for action taken. In this connection events reported by Mr. Sakomizu were:

1. On December 4 or 5, 1941, the Emperor by "facial expression" indicated that he agreed that war was not the only means to protect Japan's welfare.

<sup>45</sup> Hisatsune Sakomizu, Chief Secretary of the Japanese Cabinet, April 7-August 15, 1945.

2. In the Imperial Rescript declaring war, the Emperor himself inserted one phrase revealing that war with the United States and Great Britain was not personally favored by the Emperor.

3. The Emperor had informed Prince Konoye on the occasion of the signing of the Tripartite Pact<sup>46</sup> that this treaty might bring Japan one of its greatest misfortunes.

In presenting these observations, Mr. Sakomizu undoubtedly hoped to contribute to evidence which would help to absolve the Emperor from war responsibility. No opinions were expressed by the members of this office.

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

[Enclosure]

*Memorandum of Conversation, by Mr. Russell L. Durgin, of the  
Office of the Political Adviser in Japan*

[Tokyo,] February 6, 1946.

Participants: Sakomizu Hisatsune;  
Kubo, Hisaji;  
Mr. William J. Sebald;  
Dr. Karl C. Leebrick; and  
Mr. Durgin

Subject: Observations About War Responsibility and the Attitudes  
of the Emperor.

The following is a brief summary of an informal conversation with Sakomizu Hisatsune at a meeting arranged at the request of Mr. Sakomizu and the home of Mr. Kubo.

Mr. Sakomizu stated that:

Admiral Okada Keisuke, former Premier,<sup>47</sup> was opposed to Tojo and his policies from the beginning. In November, 1941, soon after becoming Premier, Tojo arranged a conference at which Okada was present. Okada frankly said that he felt Japan was not in any position for war, the unfavorable shipping position alone being adequate proof for such a statement. Tojo replied that Japan could keep three million tons of shipping afloat.

Early in December, 1941, (4th or 5th), the Emperor invited the former premiers for tea, at which time both Okada and Admiral

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<sup>46</sup> Three Power pact of assistance signed at Berlin, September 27, 1940, by Germany, Italy, and Japan; for text, see League of Nations Treaty Series, vol. cciv, p. 387, or Department of State, *Documents on German Foreign Policy, 1918-1945*, Series D, vol. xi, p. 204. For negotiation of treaty, see *Foreign Relations*, 1940, vol. i, pp. 647 ff.

<sup>47</sup> July 4, 1934-February 26, 1936.



Yonai<sup>48</sup> expressed doubts about war being the only way to protect Japan's welfare. (At that time Tojo did not say he had decided on going to war, but remarked that he thought war was the only way to save Japan.) The Emperor made no comment in response to Okada and Yonai, but the impression Okada got from the Emperor's facial expression was that he agreed with them. (The Emperor does not make decisions, the only usual gesture of disapproval of a measure being to withhold his seal for a day or two.)

The December 8th War Rescript differed from the usual practice in that the Emperor did not merely put his seal on a document previously fully prepared by the Cabinet. He personally added two clauses which revealed that he did not personally favor the war. The first one indicated that it was not his wish that war with the United States and Great Britain had to be, and then added the hope that his ancestors' spirits would provide guidance and protection in this step.

The general feeling of the intelligentsia at the outbreak of the war was one of regret. On the evening of December 8, 1941, a broadcast announced [*announcement?*] said that the purpose of the war was to protect the Emperor and expel the foreigner. Four of six men at a Geisha party at which Sakomizu was present that night agreed that such propaganda by the government was just the opposite to the real feeling of the Japanese people.

Another episode referred to a conversation between the Emperor and Prince Konoye at Hayama on the occasion of the signing of the Tripartite Pact. The Emperor told Konoye that by this act Japan may have to face one of the greatest misfortunes of her history. The Emperor saw what this Alliance meant, but in keeping with the policy of not interfering with government decisions decided not to resist. Prince Konoye was then asked by the Emperor to agree always "to go along with" him even though it might mean passing through "water and fire". Near the end of the war, the Emperor asked Konoye to go to Moscow as a special envoy. When Konoye tried to refuse, the Emperor reminded him of his earlier pledge mentioned above, after which Konoye agreed to go.

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Mr. Sakomizu stated that he had had a long conversation a few days previous with Vice Aide-de-Camp Kinoshita of the Imperial Household Department, during the course of which Sakomizu requested Kinoshita to try to arrange an Imperial interview. The indications

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<sup>48</sup> Adm. Mitsumasa Yonai, Japanese Prime Minister, January 16–July 16, 1940; Deputy Prime Minister, July 1944–April 5, 1945; Navy Minister, February 1937–August 1939 and since July 1944.

are that this is being arranged. Sakomizu attached considerable importance to such a prospective opportunity of placing before the Emperor his ideas and advice regarding the present situation. Sakomizu was of the opinion that many of the leaders who have access to the Emperor today are not sufficiently in touch with the thought of many of the Japanese, and therefore this contemplated interview would help to bring about a closer relationship between the Emperor and the people.

RUSSELL L. DURGIN

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740.00116 PW/2-1446 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom  
(Winant)*

SECRET

WASHINGTON, February 18, 1946—1 p. m.

US URGENT

1598. For Hodgson. Urtel 1859, Feb. 14. If despite Ambassador's discussions with Prime Minister and FonOff question of preparing list of major Japanese war criminals should be reopened, you are instructed to continue take position Commission does not have sufficient evidence to take proposed action and International Prosecution Section of SCAP should finally determine list of major war criminals to be brought to trial in accordance with policies, principles, and standards formulated by Far Eastern Commission.

Should Commission nevertheless vote to proceed to prepare and adopt list of major Japanese war criminals, using Australian list as basis, or furnish advice as to list on basis evidence available London, you are instructed to state USGov considers position of Emperor as war criminal should not be discussed by Commission. This question has far-reaching political implications involving also military security and should only be discussed at highest governmental level.

Reference penultimate paragraph Dept understands National War Crimes Office already transmitted Australian list to International Prosecution Section, Headquarters Supreme Commander Allied Powers, Tokyo. Dept perceives no objection to reference of Australian list to International Prosecution Section SCAP as suggested first paragraph. Copies SCAP order establishing International Military Tribunal and Soviet-Anglo-American communiqué of Dec. 27 concerning Far Eastern Commission <sup>49</sup> have been dispatched.

BYRNES

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<sup>49</sup> For the communiqué of December 27, 1945, see Department of State *Bulletin*, December 30, 1945, p. 1027. Cf. telegram 131, December 28, 1945, to Canberra, *Foreign Relations*, 1945, vol. VI, p. 894.

740.00116 PW/1-2446

*The Department of State to the Canadian Embassy*

## MEMORANDUM

In its memorandum of January 24, 1946, the Canadian Embassy made certain proposals regarding the participation of Canadian military personnel in the prosecution of Far Eastern war criminals in the area now controlled by United States forces, accused by Canadian military authorities of serious war crimes against Canadians.

The appropriate military authorities and the Department of State are in agreement in approving the proposals of the Canadian Government provided that the Canadian Government can make an officer available to sit on the military tribunals. Such officer would be in addition to any Canadian personnel participating in investigations or prosecutions. Based on a recommendation from General MacArthur, it is suggested that, in addition to the officer just mentioned, the Canadian Government send to Tokyo two other officers and an enlisted clerk and an enlisted stenographer. It is recommended that each of the three officers be possessed of legal backgrounds, that one be a lieutenant colonel or colonel, to sit as a member of the tribunals, and that the other two be majors, or of lesser rank, to assist in the investigations and prosecutions of crimes against Canadian nationals.

If the foregoing meets with the approval of the Canadian Government, it is suggested that the Canadian authorities get in touch with the appropriate War Department representatives to arrange details concerning transportation and other matters.<sup>50</sup>

WASHINGTON, February 22, 1946.

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740.00119 Control (Japan)/2-2446: Telegram

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

SECRET

Tokyo, February 24, 1946.

[Received March 1—10:40 a. m.]

118. Cite C-58287. This is No. 118 to Department and No. 14 to Moscow. Following from Kennan [*Keenan*] for AmEmbassy Moscow:

"ReDeptel 163, February 21.<sup>51</sup> Answering points raised:

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<sup>50</sup> A Canadian note, No. 143, April 11, named the officers selected for service in the Far East (740.00116 PW/4-1146).

<sup>51</sup> Not printed; it repeated questions raised in telegram 494, February 20, 2 p. m., from Moscow (not printed), to be answered by Mr. Keenan (740.00116 P.W./2-2046).



1. Chief of Counsel is appointed by and represents SCAP with duties as described in Article 8, sub-paragraph A of the Charter. State Department telegrams 77 of 15 January and 110 of 19 January were apparently misleading, as appointment of Chief of Counsel necessarily prerogative of SCAP acting in behalf of the Allied powers. It is left to your discretion whether this point need be further clarified with the Soviets.

2. Your paragraph 2 stating 'In selection of each person to be indicted general plan is that a majority of the prosecutors will determine in first instance, subject to final approval of SCAP, who should etc.' is correct.

3. Category A is found in sub-paragraph A. of Article 5, Section 11 of Charter, which is quoted in event you have not received copy of Charter: 'A. Crimes against peace: namely, the planning, preparation, initiation or waging of a declared or undeclared war of aggression, or a war in violation of international law, treaties, agreements or assurances, or participation in a common plan or conspiracy for the accomplishment of any of the foregoing.'

4. There is critical housing situation in Tokyo but it is not believed that there is any need for substantial addition to numbers of lawyers now engaged in this prosecution although the Russian prosecutor may name any reasonable number of assistants whose cooperation will be welcomed. United Kingdom has named 1 associate prosecutor and 3 assistants; Canada 1; Australia 1; New Zealand 1; China 1 and 1 assistant; France 1; and Netherlands 1. It is suggested that Russian prosecutor be asked to proceed forthwith and it is felt certain that when he arrives and surveys existing situation, there will be no difference of opinion on this subject. All nations want this trial to proceed as soon as practicable in conformity with proper preparation. While it is desired to keep to a minimum the staff of the Soviet Associate Counsel, references to critical housing situation in Tokyo are left to your discretion. It might be helpful to point out to the Soviets the small staffs selected by other United Nations. Hope Russian prosecutor and his assistants will not be long delayed."

BISHOP

740.00116 PW/2-2746: Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

SECRET

Moscow, February 27, 1946—9 p. m.

PRIORITY

[Received March 1—7:35 p. m.]

571. ReEmb's 494, Feb. 20.<sup>52</sup> Lozovski replied on Feb 26 to my letter of Feb 19 as follows:

"Acknowledging the receipt of your letter of Feb 19, I consider it necessary to inform you that on a number of points this letter elucidates the questions about which I wrote you Feb 5. However, two points remain unclear which require further definition.

<sup>52</sup> See footnote 51, p. 416.

1. In paragraph 5 of your letter it is written that each prosecutor shall have the right to present any evidence and to make any addition to specific charges brought against any defendant on condition that this will be supported by a majority vote of the prosecutors. This latter condition does not call forth objection insofar as the question concerns additions to the charges presented against any of the defendants. However, it is necessary to consider that the demand for the agreement of a majority of the prosecutors will not be applied when it is a question of evidence relating to criminal actions of any one of the defendants against a state, represented by the prosecutor in question. It would be correct if, in such case, the appropriate evidence were accepted upon the proposal of the respective prosecutor.

2. In paragraph 6 of your letter it is written that a decision on the question of just who will be included among defendants as well as those who will be interrogated, is the responsibility of the Supreme Commander for the Allied Powers 'where matters of policy involving implementing the surrender or occupation of Japan may so require'. This does not call forth objection if it is a question of the inclusion of this or that person among the defendants. But the considerations cited in paragraph 6 of your letter evidently cannot refer to the preliminary private interrogation of any of the defendants, suspects or witnesses. If this or that prosecutor were not permitted to conduct a preliminary interrogation of those persons, whom he considers necessary to question, such prosecutor could not fulfill the duties assigned to him. Therefore, the interests of the matter demand that the right be given to the prosecutors to conduct preliminary interrogations of these persons along with which it goes with [*without*] saying that preliminary interrogations of this sort must be conducted with observance of the rules established for this. I hold that the above remarks will not meet objections."

Please repeat above to Tokyo for Acting Political Adviser for Keenan. Please instruct.<sup>53</sup>

KENNAN

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740.00116 PW/3-146

*Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Secretary of State*<sup>54</sup>

URGENT

[WASHINGTON,] March 1, 1946.

1. *Background.* Several weeks ago the Government of India asked that consideration be given to the appointment of an Indian judge on the International Military Tribunal for the Far East at Tokyo.

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<sup>53</sup> Mr. Bishop at Tokyo replied in telegram 136 (15 to Moscow), March 12: "There is no objection to the conditions set forth. . . . Have been holding up matters for Russian prosecutor's review, advice and assistance. Now that apparently all inquiries have been answered and situation clarified, would greatly appreciate the immediate arrival of Russian judge and prosecutor." (740.00116-PW/3-1246)

<sup>54</sup> Notation by the Secretary of State: "OK JFB".



At that time the Indian Agent General at Washington was informed by the Department that it had been decided that the composition of the Tribunal should be limited to representation by the nine governments that had signed the Japanese surrender document and that, therefore, neither the Philippine Commonwealth nor the Government of India would be represented. India and the Philippines were, however, asked to name associate prosecutors for the trial of the Japanese war criminals.

2. *Present Efforts of Indian Representative to Obtain Reconsideration by the Far Eastern Commission of the Above Decision.* The Indian representative on the Far Eastern Commission, in compliance with a strong instruction from his Government, has placed this question on the agenda of the Commission, and it is now coming up for decision. We understand that the U.K. and New Zealand representatives are backing the Indian request. Since the International Military Tribunal is scheduled to initiate its activities within two or three weeks, this matter will have to be settled by the Commission at once.

3. *Reasons Why Indian Judge Should be on the Tribunal.*

a. India played an important and an active role in the war against Japan both in terms of supplies and military campaigns.

b. If the Tribunal is restricted to the presently proposed composition, only one Asiatic country, China, will be represented, and since the Tribunal will be trying Japanese war criminals it is believed that it would strengthen the Tribunal, in the eyes of peoples of South Asia, if at least one additional Asiatic nation is represented. Reports from India indicate that the virtually all-white character of the proposed Tribunal is looked upon most unfavorably by Indians.

c. Although the inclusion of an Indian representative might also lead to the inclusion of a Philippine judge, such further addition would give the Tribunal a composition of only 11 members as against nine already agreed to. We do not believe that from an operating point of view it would be much more difficult for eleven members to function than for nine.

d. Since this is a judicial matter, the question as to whether or not India is completely independent is irrelevant.

e. Although the Soviet Union may oppose it, it seems likely that the majority of the members of the Far Eastern Commission will favor India's request. It would therefore be harmful to this country's relations with India if the American representative should vote negatively or should endeavor behind the scenes to block Indian participation.

4. *Recommendation.* It is recommended that in view of the foregoing the American representative on the Far Eastern Commission<sup>55</sup> be instructed actively to support and vote for the Indian request for

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<sup>55</sup> Maj. Gen. Frank R. McCoy, U.S. Army (retired).



the appointment of an Indian judge on the International Military Tribunal to be established at Tokyo. If you concur you might get in touch at once with General McCoy since the matter is now before the Commission for decision.<sup>56</sup>

LOY W. HENDERSON

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740.00116 PW/2-2846

*The Secretary of State to the Canadian Ambassador (Wrong)*

The Secretary of State presents his compliments to His Excellency the Canadian Ambassador and has the honor to acknowledge the receipt of his note No. 68 of February 28, 1946 enclosing a list of Japanese war criminals.<sup>57</sup>

As suggested by His Excellency, this list has been communicated to the appropriate military authorities with the recommendation that, if possible, pending arrangements for trial, the persons listed be apprehended or held in custody.

WASHINGTON, March 6, 1946.

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740.00116 PW/3-646: Airgram

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

CONFIDENTIAL

TOKYO, March 6, 1946.

[Received March 14—9:42 a. m.]

A-20. Informed inquiries have revealed that the clearing and release February 27 of Vice-Admiral Ueda Yoshitake, former president of the Japan Geopolitical Institute (arrested September 11, 1945, with 38 other major war crimes suspects, including the entire Pearl Harbor Cabinet) is in the nature of an individual case and does not necessarily portend the release of other major suspects. It is understood, however, the International Prosecution Section considers that certain such suspects are being held without adequate cause and is recommending their release as soon as the necessary investigations have been completed.

It has been further learned that SCAP's "Clarification of Status" memorandum, the first of its kind, of March 3, 1946, to the Japanese Government announcing the release of 13 named "minor" war crimes

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<sup>56</sup> On March 2 the Director of the Office of Far Eastern Affairs (Vincent) proposed a revision of this recommendation to the effect that "we would not oppose" an Indian judge having membership on the court; the Secretary of State approved the change, and General McCoy was informed. On April 29 the Department was notified by the Indian Agent General that his Government had nominated R. M. Pal as judge on the Tribunal. A Filipino judge, Delfin Jaranilla, was also appointed. (740.00116 PW/3-146, 3-446, 4-2946)

<sup>57</sup> Neither printed.

suspects from detention and from suspicion as war criminals was designed to make it a matter of record that these persons had been cleared of the charges against them. There had been indication that under the previous arrangement, whereby such persons were ordered released by letter to Eighth Army Headquarters without notification or explanation to the Japanese Government, this had not been fully understood.

BISHOP

740.00116 PW/3-1546

*The United States Commissioner, United Nations War Crimes Commission (Hodgson), to the Secretary of State*

SECRET  
No. 397

LONDON, March 15, 1946.  
[Received March 26.]

SIR: At the request of the Secretary General of the United Nations War Crimes Commission, I have the honor to transmit an envelope addressed to the Chairman of the Far Eastern Commission, Washington, together with its enclosures which consist of a letter from the Secretary General of the United Nations War Crimes Commission to the Chairman of the Far Eastern Commission dated March 15, 1946, a copy of a letter from the Chairman of the United Nations War Crimes Commission to the Allied Council for Japan, dated March 1, 1946, and a copy of the First List of Major Japanese War Criminals and Those Holding Key Positions. The Secretary General desires that the mentioned envelope and its contents be delivered to the Chairman of the Far Eastern Commission.<sup>58</sup>

The Commission at its meeting of March 13th decided to send a copy of the mentioned list to the Far Eastern Commission for its information. The Australian member had pressed to have the list sent for the consideration of the Far Eastern Commission and such action as it might deem appropriate. This proposal was opposed by me, and the final decision was in the nature of a compromise.

Respectfully,

JOSEPH V. HODGSON  
Colonel, JAGD

711.94/3-2646

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan, to the Secretary of State*

No. 325

TOKYO, March 26, 1946.  
[Received April 2.]

SIR: I have the honor to refer to this Office's despatch no. 98, December 13, 1945, enclosing memorandum of conversation with Prince Ko-

<sup>58</sup> This was done on April 2.

noye on November 7, 1945,<sup>59</sup> during the course of which Konoye offered the following description of developments leading up to the fall of his Cabinet in October 1941:

"Through informal but entirely reliable information the Prime Minister (Prince Konoye) learned that the Japanese Navy was far from confident of Japanese ability to wage a successful war against the United States and that the real desire of the most important leaders in the Japanese Navy was to avoid war. The Army and General Tojo were also informed of this basic attitude on the part of the Navy. On October 13 or 14, 1941, the *Gummu Kyoku Cho* (Chief of the Military Affairs Bureau) of the Army went to the Chief Secretary of the Cabinet and told the latter that the Army would not give up its idea of preparing for war immediately against the United States if such were merely the wish of the Prime Minister. However, the Army would consent to give up this program if the Navy were formally to express its opinion that the Japanese Navy was not prepared for war against the United States. The Army therefore asked the Chief Secretary of the Cabinet to obtain formally the official views of the Navy Ministry. Consequently the Chief Secretary called upon the Chief of the Military Affairs Bureau of the Navy and asked him to present formally the official views of the Navy. The Naval Chief of Military Affairs refused to consent to this proposal and stated that the Navy, officially and formally, would go no further than to agree to leave the entire matter in the hands of the Prime Minister and to support whatever decision the Prime Minister should reach. The Army continued to oppose the views of the Prime Minister and the Cabinet was forced to resign."

While this account of events has since been confirmed from several sources, the first authoritative explanation of the Navy's position as above reported to come directly to the attention of this Office was provided by Admiral Toyoda Teijiro, Foreign Minister in the third Konoye Cabinet, in conversation with a member of the staff of this Office at the Admiral's home on March 22. Admiral Toyoda stated that but for a last minute change of plans he would have been Navy Minister instead of Foreign Minister in the last Konoye Cabinet, and that in that post he would have officially advised Konoye and the Emperor of the Navy's active opposition to and incapacity for war with the United States. He pointed out, however, that the Navy was in a very difficult position, because the advice which he would have been ready to give would have been followed by question from the Army as to just why Japan had gone to the trouble and expense of building a Navy if when the crisis came it was unwilling or unable to fight the very Power which had always been regarded as its most probable opponent. He said that the Navy leaders, while desiring peace, being far from sanguine of Japan's chances of ultimate victory, could not summon courage to face this charge.

<sup>59</sup> Despatch No. 98 not printed; for memorandum, see *Foreign Relations, 1945*, vol. VI, p. 955.



The Army extremists, the Admiral's statement clarifies, clearly were in an advantageous position. If the Navy had declared itself unwilling to fight the United States, the Army could have proceeded with the liquidation of the China War while placing the major portion of the blame for its mistakes and failures of the past ten years on the Navy, which, it could then have said, had failed it in the supreme effort before victory. If, on the other hand, the Navy refused to be made a scapegoat, the war which these extremists in greater or lesser degree desired would follow. An express Imperial Command, issued on the advice of the Prime Minister even though he were not formally supported by the Navy, that war with the United States should be avoided, might have provided them with a similar face-saving opportunity. While Prince Konoye states that the Army would not give up its idea of preparing for war immediately against the United States merely on his say-so, there is reason to believe (reference despatch no. 124, December 26, 1945 <sup>60</sup>) that if the Prince had formally advised the Emperor to declare for peace the Emperor would have done so and the Army would have obeyed.

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

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740.00119 FEAC/4-446

*The Secretary General of the Far Eastern Commission (Johnson)  
to the Secretary of State*

RESTRICTED

WASHINGTON, 4 April 1946.

MY DEAR MR. SECRETARY: The Terms of Reference of the Far Eastern Commission provide that one of the functions of the Commission should be to "formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the terms of surrender may be accomplished."

It is further provided that when such decisions are made by the Far Eastern Commission, "The United States Government shall prepare directives in accordance with the policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government agency."

At a meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D.C. on 3 April 1946 the enclosed policy decision was unanimously agreed to.

As Secretary General of the Far Eastern Commission, I have been instructed to forward this decision to you on behalf of the Commission, in order that the appropriate directives may be prepared and

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<sup>60</sup> Not printed.

transmitted to the Supreme Commander in accordance with the Terms of Reference.<sup>61</sup>

As there was some discussion in the Commission as to the bearing this policy decision might be construed to have upon the status of the Japanese Emperor, I am enclosing for information and guidance in the preparation of an appropriate directive to the Supreme Commander for the Allied Powers an excerpt from the minutes of the Commission's meeting. Reference is to paragraph 17 of the original United States directive to the Supreme Commander for the Allied Powers on Identification, Apprehension and Trial of Persons Suspected of War Crimes,<sup>62</sup> which reads:

"17. You will take no action against the Emperor as a war criminal pending receipt of a special directive concerning his treatment."

Respectfully yours,

NELSON TRUSLER JOHNSON

[Enclosure 1]

*Far Eastern Commission Policy Decision FEC 007/3, April 3, 1946*

POLICY IN REGARD TO THE APPREHENSION, TRIAL AND PUNISHMENT OF  
WAR CRIMINALS IN THE FAR EAST

1. The term "war crimes" as used herein, includes:

a. Planning, preparation, initiation or waging of a war of aggression or a war in violation of international treaties, agreements and assurances, or participation in a common plan or conspiracy for the accomplishment of any of the foregoing.

b. Violations of the laws or customs of war. Such violations shall include but not be limited to murder, ill-treatment or deportation to slave labor or for any other purpose of civilian population of, or in, occupied territory, murder or ill-treatment of prisoners of war or persons on the seas, or elsewhere improper treatment of hostages, plunder of public or private property, wanton destruction of cities, towns or villages or devastation not justified by military necessity.

c. Murder, extermination, enslavement, deportation and other inhumane acts committed against any civilian population, before or during the war or prosecutions on political, racial or religious grounds in execution of or in connection with any crime defined herein whether or not in violation of the domestic law of the country where perpetrated.

2. The offense need not have been committed after a particular date to render the responsible party or parties subject to arrest but, in general, should have been committed since, or in the period imme-

<sup>61</sup> It was transmitted to the State-War-Navy Coordinating Committee (SWNCC) on April 9 and by SWNCC to the Joint Chiefs of Staff on April 12 for SCAP.

<sup>62</sup> See enclosure 4 to SWNCC 57/3. September 12, 1945. Report approved by SWNCC on October 2, 1945, *Foreign Relations*, 1945, vol. VI, p. 932.



diately preceding the Mukden incident of September 18, 1931.<sup>63</sup> The preponderance of cases may be expected to relate to the years since the Lukouchiao incident of July 7, 1937.<sup>64</sup>

3. All practicable measures should be taken to identify, investigate, apprehend, and detain all persons suspected of having committed war crimes, as defined in paragraph 1 above, and all persons whom any one of the United Nations or Italy charges with such crimes.

4. Suspected war criminals should be held in close confinement, without access to the press or other media of public information, and without distinction as to rank or position, as befits ordinary criminals.

5. The Supreme Commander for the Allied Powers should have:

(a) power to appoint special international military courts (which term should be held to include tribunals of any type) composed of military, naval, or air force officers or civilians representing any two or more of the states members of the Far Eastern Commission for the trial under any applicable law, domestic or international, including the laws and customs of war, of the Far Eastern war criminals indicted by the Governments of these states, and

(b) power to prescribe, subject to consultation with the representatives of those governments, rules of procedure for such courts. The Supreme Commander shall appoint to each international court a judge nominated by each state represented on the Far Eastern Commission which signifies its desire to participate in the work of such court. In the appointment of the international courts and in all trials before them, the international character of the courts and of the authority by which they were appointed and under which they act should be properly emphasized and recognized, particularly in dealings with the Japanese people. The Supreme Commander for the Allied Powers should have, (1) the responsibility for carrying out the judgments of any international courts appointed by him, and (2) the power to approve, reduce or otherwise alter any sentences imposed by any such courts, but not to increase the severity thereof, after consultation with the Allied Council for Japan and the Representatives in Japan of the other Powers, members of the Far Eastern Commission.

6. The Supreme Commander for the Allied Powers (a) should promptly establish an agency, acting under his Command to investigate reports of war crimes, to collect and analyze evidence, to arrange for the apprehension and prompt trial of suspects, to prepare, supervise and conduct the prosecution of individuals and organizations before international military courts or tribunals, and to recommend to the Supreme Commander which individuals and organizations should be prosecuted, before what courts they should be tried and what persons should be secured as witnesses, and (b) should provide,

<sup>63</sup> For documentation on the Japanese attack at Mukden, see *Foreign Relations, Japan, 1931-1941*, vol. I, pp. 1 ff., and *Foreign Relations, 1931*, vol. III, pp. 10 ff.

<sup>64</sup> For documentation on the Japanese attack at Marco Polo Bridge, near Peiping, see *Foreign Relations, Japan, 1931-1941*, vol. I, pp. 313 ff., and *Foreign Relations, 1937*, vol. III, pp. 128 ff.



after discussion with the local representatives of the nations involved, and in a manner consistent with efficient administration, for equitable inclusion in the membership of such agency of suitable representatives of the States members of the Far Eastern Commission. This agency should advise the Supreme Commander and other Military commanders for the Allies on matters relating to war criminals. This agency should attach importance to the investigation of the evidence that offenses of the type described in paragraph 1 *a* above have been committed, should collect and analyze the evidence of such offenses and should recommend to the Supreme Commander a plan as indicated in paragraph 5 above for the appointment of an international court for the trial of such offenses and the charges to be preferred. This agency should also maintain a central record and information office of Japanese war criminals and war crimes, the records and files of which should be available to any interested United Nation.

7. The military command of any nation (including the United States) participating in the occupation of areas previously dominated by Japan may establish special national military courts to deal with war criminals not held or requested by the Supreme Commander for trial by an international military court or tribunal of the types referred to in paragraph 6 above. Such courts should be separate from courts which may be set up to deal with current offenses against the occupation or infractions of military discipline.

8. Military commanders of forces of occupation in the Far East should promptly comply with a request by the government of any one of the United Nations or Italy for the delivery to it or any person who is stated in such request to be charged with a war crime, subject to the following exceptions:

(1) Persons who have held high political, civil or military positions in the Japanese Empire or in one of its allies, co-belligerents or satellites, should not be delivered, pending decision whether such person should be tried before an international military court or tribunal. Suspected war criminals desired for trial before such a court or tribunal or persons desired as witnesses at such trials will not be turned over to the nation requesting them so long as their presence is desired in connection with such trials.

(2) Where persons are requested by more than one of the Governments above-mentioned for trial of a war crime, the military commanders concerned should make their determinations based on all circumstances, including the relative seriousness of the respective charges against such a person and the national interests involved, and should deliver the requested person to a particular United Nation or Italy accordingly.

9. Compliance with any request for the delivery of a suspected war criminal should not be delayed on the ground that other requests for the same person are anticipated.

10. Delivery of a suspected war criminal to a requesting government should be subject to the condition that if such person is not brought to trial, tried and convicted within six months from the date he is so delivered, he will be returned to the authority who made delivery if he has been requested for trial by any of the other United Nations or Italy.

11. Military commanders should take under their control, pending subsequent decisions as to its eventual disposition, property, real and personal, found in areas of their respective jurisdiction and owned or controlled by persons taken into custody pursuant to the provisions of paragraph 3 above.

12. Such measures as are deemed necessary should be taken to insure that witnesses to war crimes will be available when required.

13. The execution of death sentences should be deferred if there is reason to believe that the testimony of those convicted would be of value in the trial of other war criminals.

14. Any national of any United Nation who may be requested, or who there is reason to believe may be desired, by his government as a renegade or quisling, should be arrested. Such persons should normally be turned over as soon as practicable to their government.

15. Military commanders having custody of alleged offenders requested under paragraphs 8 and 14 above, if in doubt as to whether such persons should be turned over to the demanding nation for trial, should consult their government and, in appropriate cases, leave the matter to be dealt with through diplomatic channels. Within the main islands of Japan, the Supreme Commander for the Allied Powers will have custody of such alleged offenders and should consult the Joint Chiefs of Staff in cases of doubt.

[Enclosure 2]

*Excerpt From Minutes of the Seventh Meeting of the Far Eastern Commission, April 3, 1946*

"Sir Carl Berendsen <sup>65</sup> referred to paragraph 3 and said that although this paragraph empowered any of the United Nations or Italy to charge any individual with war crimes, it should be understood that the Supreme Commander should take no action against the Japanese Emperor without a further directive from the United States Government. In other words, paragraph 17 of the existing directive (FEC 007) should remain in force.

"General McCoy said that he would point out to the U.S. Government that paragraph 3 of FEC 007/3 should not be construed to authorize any action against the Emperor as a war criminal.

<sup>65</sup> New Zealand Minister and representative on the Far Eastern Commission.



"The Commission approved FEC 007/3, with the understanding that the directive to be forwarded by the U.S. Government to the Supreme Commander would be so worded as to exempt the Japanese Emperor from indictment as a war criminal without direct authorization."

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711.94/3-2946

*Draft Affidavit by the Secretary of State, April 6, 1946*<sup>66</sup>

UNITED STATES OF AMERICA

DISTRICT OF COLUMBIA, TO WIT:

I, James F. Byrnes, Secretary of State, being first duly sworn, do hereby, according to my best knowledge and belief, make affidavit as follows:

1. That I am the duly designated and qualified Secretary of State of the United States of America.

2. That the Japanese Government in 1941 approached this Government with a proposal for an agreement providing for a pacific settlement covering the whole Pacific area, and accordingly conversations were entered into.<sup>67</sup> Various drafts and counterdrafts of proposals were exchanged, but no reconciliation of views on a number of fundamental points was reached. While the conversations were still in progress the Japanese Government on November 20 presented this Government with an extreme proposal<sup>68</sup> which this Government could not accept. It offered the Japanese Government on November 26 as an alternative a plan of a broad but simple settlement as a basis for further conversations looking to an agreement.<sup>69</sup> On December 7 the Japanese Government made a reply announcing its intention to break off negotiations,<sup>70</sup> but more than an hour prior to delivery of that reply it attacked without any warning American territory in Hawaii.

3. That Japan did not on or before December 7, 1941, so far as the Government of the United States is aware, have recourse to the good offices or mediation of any friendly power, or to arbitration of pending questions at issue with the Government of the United States prior to Japan's making an armed attack on the United States.

4. That the Government of Japan did not on or before the time of the attack on Pearl Harbor deliver to the Government of the United

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<sup>66</sup> Prepared in response to a request from Mr. Keenan and transmitted on April 9 to the War Crimes Branch, Civil Affairs Division, War Department.

<sup>67</sup> See *Foreign Relations, Japan, 1931-1941*, vol. II, pp. 325-795, and *Foreign Relations, 1941*, vol. IV, pp. 1-729.

<sup>68</sup> *Foreign Relations, Japan, 1931-1941*, vol. II, p. 755.

<sup>69</sup> *Ibid.*, p. 768.

<sup>70</sup> *Ibid.*, p. 787.



States any previous or explicit warning either in the form of a declaration of war or an ultimatum with a conditional declaration of war.

5. That, except as set forth in paragraph numbered two, Japan made no effort to reach a pacific settlement in 1941 of issues on which there were differences between Japan and the United States.

Given under my hand and the official seal of the Department of State this 6th day of April, 1946.

JAMES F. BYRNES  
*Secretary of State*

Subscribed and sworn to before me, a Notary Public in and for the District of Columbia, this 6th day of April, 1946.

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*Notary Public*

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740.00116 PW/4-946

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

SECRET  
No. 357

TOKYO, April 9, 1946.  
[Received April 22.]

SIR: I have the honor to transmit a memorandum, prepared by Mr. T. L. Blakemore of the staff of this Office, on the "Preparations of Defense Counsel for Class A War Criminal Suspects".<sup>71</sup>

*Summary.* Despite delays in the return of the indictment (now promised for April 15), most of the Class A War Criminal suspects under detention have selected defense counsel, who have organized themselves and have had some discussion of common problems. Lacking members fluent in English and extensively experienced in Anglo-American law, the defense seeks the assistance of competent American lawyers (either directly employed or provided by the Tribunal) and access to recent foreign legal materials. *End of summary.*

Appendices to the memorandum contain material of interest to a more detailed study of preparations for the trial. Appendix I lists the defense counsel engaged by the expected defendants. Appendix II is a published series of articles by a Japanese legal authority on the subject to the International Military Tribunal, in which is expressed a prevalent Japanese fear that the trial will be politically vindictive rather than legal in character. Appendix III is a statement of the views of a prominent defense attorney of the problems faced by the defense and comments on the relative guilt of the present suspects.

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

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<sup>71</sup> Not printed.

740.00116 PW/4-2646: Circular telegram

*The Acting Secretary of State to Certain American Diplomatic and Consular Officers* <sup>72</sup>

SECRET

WASHINGTON, April 26, 1946—5 p. m.

Far Eastern Commission "Directive on Apprehension Trial Punishment War Criminals in Far East" <sup>73</sup> sent SCAP for implementation. SCAP to arrest and bring all war criminals to trial before special international military courts or tribunals <sup>74</sup> which he is to appoint from nominees by FEC member states. SCAP to arrest nationals United Nations who desired by their govts as quislings. Directive specifically excludes any action against Emperor pending receipt special directive re his treatment.

ACHESON

711.94/4-3046

*The Political Adviser in Japan (Acheson) to the Secretary of State*

CONFIDENTIAL

TOKYO, April 30, 1946.

No. 398

[Received May 9.]

SIR: I have the honor to bring to the Department's attention intelligence uncovered by American authorities in Japan, presumably from examination of the files of the Japanese Navy Ministry, which gives clear evidence of Japanese hostile preparations coincident with the Kurusu Mission to the United States.<sup>75</sup>

The following quotations of telegrams from the highest Japanese Naval authorities to the fleet commanders are taken from translations made by the Allied Translator and Interpreter Section, Military Intelligence Section, General Headquarters, SCAP, of directives and orders from the Navy Staff Section of Imperial General Headquarters. A single copy of the summaries of this series of directives Nos. 1 to

<sup>72</sup> At Bangkok, Batavia, Nanking, Saigon, and Singapore.

<sup>73</sup> For Far Eastern Commission policy decision on this subject of April 3, see Department of State Publication 2888, Far Eastern Series 24 (Washington, September 1947): *Activities of the Far Eastern Commission*, Report by the Secretary General, February 26, 1946—July 10, 1947, p. 97.

<sup>74</sup> For text of an indictment against 28 Japanese leaders, lodged with the International Military Tribunal at Tokyo on April 29, see United Nations War Crimes Commission document C 197, May 27, London, printed in Department of State Publication 2613, Far Eastern Series 12: *Trial of Japanese War Criminals*.

<sup>75</sup> Saburo Kurusu, former Japanese Ambassador in Belgium and in Germany, was sent as a special ambassador to the United States in November 1941 to assist the Japanese Ambassador (Nomura) in the conversations then proceeding, terminated on December 7, 1941.

35, and one copy of the translations of the orders Nos. 1 to 57, November 5, 1941, to September 2, 1945, are enclosed.<sup>76</sup>

It will be noted that on November 5, 1941, the date on which the Kurusu Mission was announced, the following messages were despatched (underlining <sup>77</sup> added for emphasis) :

(Directive No. 1)

"From : Chief of Naval General Staff, Nagano  
To : CinC of the Combined Fleet, Yamamoto

At the appropriate time the Combined Fleet will dispatch the necessary forces to the predetermined key points in anticipation of *the inevitable opening of hostilities* with the United States, Great Britain, and the Netherlands *within the first ten days of December.*"

(Directive No. 2)

"From : Chief of Naval General Staff, Nagano  
To : CinC of the China Area Fleet, Koga

The CinC of the China Area fleet will *hasten* the preparation of various ships for operations in preparation for *the inevitable opening of hostilities* with the United States, Great Britain, and the Netherlands *within the first ten days of December.*"

(Order No. 2)

"From : Chief of Naval General Staff, Nagano  
To : Commanders of the Naval Bases at Kure, Sasebo, Yokosuka, and Maizuru; Commanders of the Naval Stations at Chinka, Maro, Ominato, and Port Arthur

It is feared that there will be a war with the United States, Britain, and the Netherlands. Therefore, for the sake of existence and self-defense, the Empire must be *completely prepared for military operations by the first part of December.*"

That this order deployment of "the necessary forces to the predetermined key points" had been carried out by November 21 is indicated by the following message of that date :

(Directive No. 5)

"From : Chief of Naval General Staff, Nagano  
To : CinC of the Combined Fleet, Yamamoto

If the Japan-United States negotiations are successful, the CinC of the Combined Fleet immediately will *muster and recall* the operation forces."

By December 1, the definite decision for war appears to have been made: on that date the following order was despatched by the Navy Staff Section of the Imperial General Headquarters to Admiral Yamamoto :

(Order No. 9)

"(a) The Empire *will begin war* with the United States, Britain, and the Netherlands *in the first part of December.*"

<sup>76</sup> Enclosures not printed.

<sup>77</sup> Portions underlined in the original are here indicated by italics.



(b) The CinC of the Combined Fleet *must destroy the existing enemy fleet and aircraft strength in eastern waters*. At the same time, if the enemy fleet attacks, they must be annihilated.

(c) The CinC of the Combined Fleet will cooperate with the CinC of the Southern Army in securing the occupation of important districts in the south and must *invade* important United States, British, and Dutch bases in *East Asia*.

(d) The CinC of the Combined Fleets will cooperate in the operations of the China Area Fleet as he sees fit.

(e) Regarding the above matters, *the proper time* for the operation of motivating our strength will be indicated *in a later order*."

This message was followed the next day, December 2, 1941, by Order No. 12:

"From: Chief of Naval General Staff, Nagano

To : CinC of the Combined Fleets, Yamamoto

(a) After 8 Dec. the CinC of the Combined Fleet will start operations according to Order No. 9 (see above).

(b) Timely operations must be started against Holland following those against the United States and Great Britain."

Respectfully yours,

GEORGE ATCHESON, JR.

701.6294/5-3146

*The Political Adviser in Japan (Acheson) to the Secretary of State*

CONFIDENTIAL

No. 441

TOKYO, May 31, 1946.

[Received June 25.]

SIR: I have the honor to enclose<sup>78</sup> a report concerning Eugen Ott, former Major General in the German Army and German Ambassador to Japan, prepared by two former members of the German Secret Intelligence Service, together with a forwarding communication dated April 2, 1946 from the 441st Counter-Intelligence Corps Detachment from which it appears that reasonable credibility may be placed in the report.

*Summary of Report.* As a major in the German Army, Eugen Ott was ordered to Japan in 1933 and attached to an artillery regiment at Nagoya. Thorough knowledge of Japan, close friendship with *Frankfurter Zeitung* correspondent Richard Sorge, and good connections with the Japanese military were the obvious reasons for Ott's appointment as Military Attaché in Tokyo in 1934. Between 1934 and 1936 Ott was active in promoting closer German-Japanese relations and to prepare the Anti-Comintern Pact, concluded on November 27, 1936.<sup>79</sup> Ott's part in the conclusion of this pact led to his appoint-

<sup>78</sup> Enclosures not printed.

<sup>79</sup> Signed at Berlin, November 25, 1936, *Foreign Relations, Japan, 1931-1941*, vol. II, p. 153. For secret additional agreement signed at the same time, see Department of State, *Documents on German Foreign Policy, 1918-1945*, Series D (1937-1945), vol. I, p. 734, footnote 2a.

ment as Ambassador to Tokyo, on the recommendation of Hillman (Chief of the Nazi Party in Japan) to Bohle (Head of the Foreign Section of the Nazi Party in Berlin) who personally advised Hitler to appoint Ott to succeed Ambassador Dirksen.<sup>80</sup> In 1938 Ott visited Berlin and was made a member of the Nazi Party by Hitler personally.

It is not clear when Hitler gave orders to forge the Tri-Partite Pact, but the project had been under negotiations since 1938. Prime Minister Hiranuma<sup>81</sup> was unsuccessful in overcoming objections from the pro-American and pro-British political circles, as well as the Navy's reluctance. Reports from Japan, however, encouraged the Germans to redouble their efforts and Ott was an outstanding figure in the negotiations which followed after the outbreak of war in Europe. Ott especially cultivated friendships with Prince Kanin,<sup>82</sup> Generals Minami,<sup>83</sup> Araki,<sup>84</sup> Itagaki,<sup>85</sup> and Mazaki<sup>86</sup> and with members of the German Section of the General Staff. Despite tremendous difficulties in overcoming opposition in highest Japanese circles, considerable groundwork had been laid by July, 1940. Ribbentrop's<sup>87</sup> personal representative Stahmer<sup>88</sup> arrived in Japan early in September 1940, but it was apparent that the last stages in the negotiations had already been reached. Stahmer's efforts in concluding the pact were limited to 17 days—from September 9–10 when, accompanied by Ott, he held his first conversation with Matsuoka,<sup>89</sup> until September 27 when the pact was announced. Although announced as a "stabilizing factor," the pact was instrumental in strengthening the aspirations of the Japanese Army and the Nazi Party.

In April 1941 Matsuoka returned to Japan after having concluded the neutrality pact with Soviet Russia. After the outbreak of the German-Soviet War, Matsuoka saw Ott many times but was uneasy partly because he felt that Stalin had cheated him. Despite talk of a

<sup>80</sup> Herbert von Dirksen, transferred as Ambassador to the United Kingdom in 1938.

<sup>81</sup> Baron Klichiro Hiranuma, Japanese Prime Minister, January 5–August 28, 1939.

<sup>82</sup> Field Marshal Prince Kotohito Kanin-no-Miya, Chief of the Japanese General Staff, December 1931–October 1940.

<sup>83</sup> Gen. Jiro Minami, Japanese War Minister, April–December 1931; commander in chief of Kwantung Army in Manchuria, 1934–36; Governor General of Korea, 1936–42.

<sup>84</sup> Gen. Baron Sadao Araki, Japanese War Minister, December 1931–January 1934; Minister of Education, May 1938–August 1939.

<sup>85</sup> Gen. Seishiro Itagaki, Japanese War Minister, May 1938–August 1939; Chief of Staff of Japanese Army in China, September 1939; commander in chief in Korea, 1941–45; commanding at Singapore, 1945.

<sup>86</sup> Gen. Jinsaburo Masaki, Japanese Inspector-General of Military Education, 1933–36.

<sup>87</sup> Joachim von Ribbentrop, German Minister for Foreign Affairs, 1938–45.

<sup>88</sup> Heinrich Georg Stahmer, German Ambassador to the Japanese-sponsored regime at Nanking, October 1941, and Ambassador in Japan, 1943.

<sup>89</sup> Yosuke Matsuoka, Japanese Minister for Foreign Affairs, July 22, 1940–July 16, 1941.



pincers-movement against Russia, with the Japanese Navy attacking Vladivostok, the plan fell through because of opposition from the Japanese Navy, Prince Konoye, and the imminence of the Pacific War.

Hitler was worried about the Japanese-American negotiations then being carried on and Ott, on May 19, 1941, requested Matsuoka to furnish full information. Ott expressed objections to these negotiations and requested that Japan obtain a guarantee from the United States not to intervene in the war, that Germany be allowed to participate in the negotiations, and that full information be given Germany.

Early in 1941 Meisinger, a powerful Gestapo man, arrived in Japan and took up residence with Ott. Sorge was also living with the Ott family and was their intimate friend and one of Ott's chief advisors. Sorge was arrested as a Communist spy, but both Ott and Meisinger tried by all means to have him released. The Japanese police became more and more disgusted with their attitude until finally Ott and Meisinger dropped Sorge completely although they were personally deeply involved. A telegram from "Manchukuo" to Berlin revealed Meisinger's double-dealing and nearly wrecked the entire Gestapo system in the Far East. Meisinger, in agreement with Ott, then furnished to the Japanese a report which revealed that Sorge had been a member of the Communist Party in Germany, that he had participated in Comintern sessions in Moscow before 1934, and other charges. Ott's position became untenable and finally his recall was requested by the Japanese Government. Ott, however, was kept on the German Foreign Office rolls, and retained his rank, title, and salary. The new Ambassador, Stahmer, arrived in Japan on January 28, 1943 but Ott continued to maintain his residence at the German Embassy. Ott subsequently made a tour of the southern area and continued having conferences with high Japanese. No longer desired in Japan, Ott in May 1943 arrived in Peking where he took residence in a house provided by Tojo. *End of Summary.*

Respectfully yours,

GEORGE ATCHESON, JR.

662.9031/6-1046

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

CONFIDENTIAL

TOKYO, June 10, 1946.

No. 454

[Received July 2.]

SIR: I have the honor to refer to this Mission's despatch No. 429, May 22, 1946,<sup>90</sup> subject, "Report of Hellmut Wohlthat, Head of the Former German Economic Delegation in East Asia" and to enclose<sup>91</sup> copies of two statements prepared by Admiral P. W. Wenneker, former

<sup>90</sup> Not printed.

<sup>91</sup> Enclosures not printed.



German Naval Attaché in Tokyo, on the subject of German-Japanese naval cooperation prior to and during World War II. The first statement, March 20, 1946, is in narrative form. The later statement, undated, comprises answers to specific questions submitted by interrogators. These statements were prepared at the instance of the 441st Counter-Intelligence Corps Detachment, United States Army Forces, Pacific, and copies of two letters of transmittal, March 30, 1946 and May 3, 1946 respectively, are also enclosed.

*Summary of Statements.* After a tour of duty in Tokyo as Naval Attaché, 1934-1937, Wenneker was given command of the *Deutschland*. Shortly before the second Munich Conference (October [September] 1938), the *Deutschland* was ordered to the Atlantic to attack British shipping should these negotiations fail. With the outbreak of war with Great Britain on September 3, 1939, the *Deutschland* was again ordered to stand-by to attack shipping, but this order was revoked because of Germany's intention to make peace with France and England after the Polish campaign. In October, 1939, the *Deutschland* patrolled the north and mid-Atlantic, and on October 9 the *City of Flint*, an American vessel, was stopped and eventually sent to a Norwegian port.

On November 25, 1939, Wenneker was reappointed Naval Attaché to Tokyo and promoted to Rear Admiral, arriving in Tokyo on February 27, 1940. Major General Ott was the German Ambassador, and Wenneker's relations with Ott were cordial. Early in 1941 Ott ordered his staff to study the possibilities and probable outcome of a Japanese-American war. After a three-day exposition by the staff of the German Embassy, it was concluded that such a war would be a hopeless venture for Japan. This information was forwarded to the German Foreign Office.

With the advent of Stahmer as Ambassador, the entire complexion of the German Embassy changed: all outgoing reports were purposely tinged in an optimistic hue, and an atmosphere of distrust permeated the Embassy.

Politically, the Japanese Army and Navy did not see eye to eye. The Navy had no part in the formulation of the Anti-Comintern Pact, and only agreed to accept the Tripartite Pact because it was thought that the pact would prevent the United States from entry into the war. On the other hand, the younger officers of the Navy desired war with the United States, but the older officers did not. The former finally won, and war resulted. Wenneker was never instructed to exert pressure upon the Japanese Navy to bring about a war with the United States. In the spring of 1943, and again during the summer of 1944, when the war was turning in favor of the Allies, the Japanese Navy requested Wenneker to ask the German Navy to try to conclude

the Russo-German war. About the time Saipan was invaded, Wenneker advised some "reasonable" Japanese naval officers, who raised the question, that Japan could bring about peace by surrendering all conquered territory, including Korea. This proposition was vetoed by the Army.

Wenneker had no knowledge of Japanese intentions to attack Pearl Harbor, "although it had been known two weeks before the attack that the Japanese had made up their minds to somehow get the ball rolling," and throughout the war the Germans were kept in almost total ignorance of Japanese naval plans and operations. There was also an almost total lack of cooperation by the Japanese on technical subjects. Wenneker's impressions gained on his one tour of inspection, in 1942, of conquered territories were that the Japanese desired completely to exploit their conquests, indulged in pleasures, and failed to prepare against possible enemy counter-attacks.

The most extensive activity of the Naval Attaché's office during the war dealt with the so-called Special Service (Supply). This service was concerned with shipping problems, blockade runners, communications, German submarine supply and repairs, supplies, personnel, and similar matters. American submarines, according to Wenneker, contributed more to Japan's collapse than is generally assumed.

In the early thirties a net-work of confidential agents was established in the Far East by the Germans to assist German naval vessels in the event of war. Espionage was forbidden to these agents, and their main task was to procure food, oil, provisions, etc. They were reliable Germans of old stock and generally chiefs or former leading employees of trading houses. (A list of agents is given.) These agents were responsible to the Naval Attaché in Tokyo.

Until near the end of 1943, Wenneker's relations with the Nazi Party in Japan were not unfriendly, but when Spahn became its chief, friction of various kinds arose, culminating in a request to Berlin by Spahn for Wenneker's removal. The German Navy, however, refused to remove Wenneker and shortly thereafter promoted him to Admiral.

Of 217,415 tons of cargo sent to Germany from the Far East during the war, a total of 113,805 tons arrived in Europe.

The only formal agreement as to joint German-Japanese naval operations was contained in the naval clause of the Military Pact concluded in December, 1941.<sup>92</sup> This clause delimited areas of operations in the Indian Ocean and was supplemented from time to time by temporary operational agreements of similar nature. A special

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<sup>92</sup> For secret military agreement between Germany, Italy, and Japan at Berlin, January 18, 1942, see text printed in Hans-Adolf Jacobsen, 1939-1945, *Der zweite Weltkrieg in Chronik und Dokumenten* (Darmstadt, Wehr und Wissen Verlagsgesellschaft, 1961), p. 291.



agreement was later made, forbidding German naval attacks on Russian vessels in the Pacific. (The balance of Wencker's later report is primarily of naval interest and is concerned with such subjects as descriptions of naval facilities at Penang, Singapore, and Surabaya; German submarine operations; and operations of auxiliary cruisers.)

*End of Summary.*

Respectfully yours,

GEORGE ATCHESON, JR.

740.00116 PW/7-1046

*Memorandum by Miss Katherine B. Fite, Assistant to the Legal Adviser, to the Legal Adviser (Fahy)*

[WASHINGTON,] July 10, 1946.

MR. FAHY: At the meeting of the War Crimes Committee (Committee No. 5)<sup>93</sup> of the Far Eastern Commission which I attended on July 10, the question of the confiscation of the property of convicted war criminals was discussed. The acting chairman stated that the question of whether such property should be confiscated had been referred to Committee No. 5 by Committee No. 1,<sup>94</sup> and that the latter Committee, if it were determined that confiscation should be made, would consider the question of its disposition (e.g. for reparation and reconstruction).

It seemed to be immediately assumed that the question referred to property of "major" war criminals only. In fact, the Soviet representative<sup>95</sup> so stated specifically.

The British representative<sup>96</sup> at the outset said that he thought any action by the Commission was premature, and that it should await the sentence by the Tokyo Tribunal. When the chairman asked my views, I said that, speaking entirely personally, I agreed with the British representative.

There was some discussion of what was being done in Germany. The chairman referred to the provisions of the Denazification Law. I called attention to the provisions of Control Council Law No. 10, pointing out, however, that forfeiture of property under that law was not mandatory as a punishment. I also called attention to paragraph 11 of the directive to SCAP, providing for the taking under control by Military Commanders of the property of persons taken into custody as war crimes suspects.

<sup>93</sup> C. L. Hsia (Hsia Ching-lin) of the Chinese delegation, chairman; Melquiades J. Gamboa, Philippines, deputy chairman.

<sup>94</sup> Reparations, Maj. J. Plimsoll, alternate Australian representative, chairman; G. A. Ph. Weyer, of the Netherlands delegation, deputy chairman.

<sup>95</sup> Rear Adm. S. S. Ramishvili, of the Soviet delegation.

<sup>96</sup> F. C. Everson, of the United Kingdom delegation.



Attention was also called to the Imperial Japanese Ordinance of May 29, 1946, providing for the taking into custody by the Japanese Minister of Finance of the property of persons detained, arrested or interned by order of SCAP.

The Soviet representative suggested that inquiry might be made of the U.S. Government as to whether the Tribunal in Tokyo intends to take action in respect to the property of the accused. No action was taken on this suggestion.

Question was raised as to whether the sentences in the Yamashita and Homma cases<sup>97</sup> contained provisions as to the property of the defendant, but no one had information on this point.

It was decided that it was the sense of the meeting that since the property of the defendants was at present under control pursuant to the directive to SCAP and the Imperial Japanese Ordinance, the question of confiscation should be held in abeyance pending the judgment of the Tokyo Tribunal, and subject to the question being revived by any of the Governments.<sup>98</sup>

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740.00116 EW/8-1546

*The Judge Advocate General, United States Army (Green), to the Chairman of the United Nations War Crimes Commission (Wright), at London*<sup>99</sup>

[WASHINGTON,] 22 July, 1946.

MY DEAR LORD WRIGHT: I hasten to reply to your letter of 8th July<sup>1</sup> for which I am very grateful. The hasty conversations that were had with you during your visit here gave me the distinct impression that a survey on the spot was required with respect to the numerous problems confronting the prosecution of war criminals in the Far East. Accordingly, arrangements were effected to enable Colonel

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<sup>97</sup> Gen. Tomoyuki Yamashita, Japanese commander in chief in the Philippines at the time of the Japanese surrender, and Lt. Gen. Masaharu Homma, Japanese commander in chief at the time of the invasion of the Philippines, December 1941, were sentenced to death by U.S. military courts in the Philippines and executed in 1946.

<sup>98</sup> In a memorandum of August 9, 1946, Mr. Fahy expressed the view that "except as the judgment of the Tribunal affects property the distribution of property of convicted persons should be unaffected by conviction unless a policy decision is made to the contrary. The question of policy should be considered by the Far Eastern Commission, in which consideration Le will be glad to participate if desired." (740.00116 PW/8-546.) Le was the symbol for the Legal Adviser's Office.

<sup>99</sup> Copy transmitted as Doc. C. 220, August 14, of the United Nations War Crimes Commission in covering despatch 525, August 15, from the U.S. Commissioner, Col. Robert M. Springer, U.S. Army; received August 28. Colonel Springer had just assumed this post.

<sup>1</sup> Not printed (Doc. C. 211, July 16).

Marcus<sup>2</sup> to proceed to Japan and elsewhere on 24th July, 1946. He has a copy of your letter and will attempt to develop your suggestions.

I wish to outline the organisation in the field for the prosecution of war crimes under the jurisdiction of General MacArthur as Supreme Commander for the Allied Powers. There is a unit of his Special Staff known as the Legal Section, the one you visited, of which Colonel Alva C. Carpenter is Chief. He has established a branch at Manila. By directive of the United States Joint Chiefs of Staff, 23rd April, 1946, thereafter ratified by the Far Eastern Commission, any other country whose nationals were victims of atrocities were given the right to assist in prosecuting cases involving such atrocities by providing members for the military commissions trying the cases and also members of the prosecution staff. To date, Australia, Canada, the United Kingdom, China, and the Netherlands have availed themselves of this right, and now have liaison detachments working with the Legal Section. It would appear, therefore, that centralisation in one office of the work of all nations concerned has been started.

By directive of the Joint Chiefs of Staff, the primary responsibility for the trial of war crimes cases in the India-Burma Theatres rests with the Government of India and with the South Asia Command. American participation has been limited to assisting by furnishing members for commissions and prosecution staffs in cases in which U.S. nationals are involved. The U.S. officers participating have been ordered to War Crimes Branch in Washington, D.C., for the purpose of preparing complete reports for use here and for your Commission.

Similarly in China, by Joint Chiefs of Staff directive, primary responsibility rests with the Chinese Central Government. The United States Forces have a War Crimes Branch there, which to date is proceeding with the prosecution of fourteen cases involving offences committed against U.S. Forces and nationals. Before the U.S. Commander can proceed in any case in China, the acquiescence of the Chinese Government is required, together with specific authority from the Joint Chiefs of Staff.

The War Crimes Branch has general supervision over the work in the Overseas Theatres. A deputy Chief for Navy and a small staff of Navy personnel are part of the Branch. The U.S. Navy has been carrying out a war crimes programme in the Mid-Pacific Area. It has liaison with War Crimes Branch through the Naval section of the Branch, and reports on Navy cases in Mid-Pacific. Problems arising in connection with these cases are referred to the Joint Chiefs of Staff.

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<sup>2</sup> Col. David Marcus, U.S. Army, Chief of the War Crimes Branch, Civil Affairs Division (CAD), War Department.



A directive prepared by War Crimes Branch, has recently been sent to the Theatres by the War Department requiring a monthly progress report on cases; standardized reports on cases by name going to trial; trials completed; and other pertinent data (Order enclosed).<sup>3</sup> Complete transcripts of the records of all cases are to be furnished the War Crimes Branch by the Theatres as quickly as they can be prepared after completion of trials. All of this information will be furnished to the United Nations War Crimes Commission as quickly as it is received by War Crimes Branch. A summary of results achieved in Japan and the Philippines to 24th May, 1946, is attached.<sup>3</sup>

I trust that this information which I pass to you will give you a picture of the war crimes programme in the Far East. Colonel Robert M. Springer, Executive of the War Crimes Branch, has been appointed by President Truman as U.S. Commissioner to the United Nations War Crimes Commission. When he arrives in London I feel confident he can answer some of the questions.

With kindest regards, I am

Sincerely yours,

THOMAS H. GREEN  
*Major-General, USA*

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740.00116 PW/7-2546

*Memorandum by the Assistant Secretary of State (Hilldring) to the  
Legal Adviser (Fahy)*

[WASHINGTON,] July 25, 1946.

MR. FAHY: Within the past week Sir Carl Berendsen, Minister of New Zealand, and Sir George Sansom, the British Minister, have called on me separately to discuss the appointment of General Cramer<sup>4</sup> to fill the place of Judge Higgins<sup>5</sup> on the War Crimes Tribunal of Japan.

They both stated that the appointment of General Cramer is distinctly disturbing to their Governments, and they expressed the fear on behalf of their Governments that the addition of a new judge in the middle of the proceedings might be used during the course of the trials to discredit the findings of the Tribunal on legal grounds, or to discredit the Tribunal in the future on historical grounds. Sir Carl and Sir George did not request that the United States withdraw General Cramer from the Tribunal but they did wish the United States Gov-

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<sup>3</sup> Not attached to file copy of this document.

<sup>4</sup> Maj. Gen. Myron C. Cramer, Judge Advocate General, U.S. Army, December 1941-1945; appointed as U.S. judge on the International Military Tribunal in June 1946.

<sup>5</sup> John P. Higgins, Chief Justice, Superior Court of Massachusetts, was U.S. judge on the International Military Tribunal from February to June 1946.



ernment to know, and through me informed this Government, that their respective Governments cannot be considered as approving the assignment of General Cramer to the War Crimes Tribunal.

I should like to discuss this problem with you at your convenience and should in particular appreciate having your advice as to what action, if any, our Government should take in this matter.

J. H. HILLDRING

740.00116 PW/9-346

*Memorandum by General of the Army Douglas MacArthur to the Civil Affairs Division, War Department*<sup>6</sup>

SECRET

[Tokyo,] 31 July 1946.

AG 000.5 (31 Jul 46) LS-R

Subject: Status of Japanese War Criminals named by the Chinese Government.

1. Reference is made to War Department, Civil Affairs Division letter, file WDSCA 151-11, subject: "Second List of Major War Criminals named by Chinese Government," dated 11 June 1946, and inclosure thereto.

2. Receipt is acknowledged of the photostatic copies of List of Major Japanese War Criminals dated 14 February 1946 from the American Embassy, Chungking.<sup>7</sup>

3. The status of the individuals in this second list of Major War Criminals named by the Chinese Government, is hereby submitted:

a. Japanese war criminals listed below have been interned at Sugamo Prison, Tokyo, Japan and are at present undergoing trial by the International Military Tribunal for the Far East:

Minami, Jiro	General
Araki, Sadao	General
Hiranuma, Kiichiro	Baron
Koiso, Kuniaki	General
Shimada, Shigetaro	Admiral
Hirota, Koki	Foreign Minister
Togo, Shingenori [ <i>Shigenori</i> ]	Foreign Minister
Umezū, Yoshijiro	General
Matsui, Iwane	General

b. As the result of their being classified as 1-A War Criminals, the following named Japanese have been apprehended and interned at

<sup>6</sup> Copy transmitted to the Department by the War Department on September 3 in WDSCA 105-8.

<sup>7</sup> See telegram 296, February 14, 2 p. m., from Chungking, p. 410.

Sugamo Prison, Tokyo, Japan pending trial by the appropriate agency:

Kawanabe, Masazo (Interned as: Kawabe, Masakuzu)	Lt. General
Tani, Masayuki	Foreign Minister
Aoki, Kazuo	Foreign Minister
Nishio, Toshizo	General
Mutaguchi, Renya	Lt. General

c. Foreign Minister Matsuoka, Yosuke died on 27 June 1946 at the Tokyo Imperial University Hospital. Up to the time of his death, Matsuoka was being tried by the International Military Tribunal for the Far East.

d. Field Marshal Terauchi, Juichi, Commander Japanese Expeditionary Forces, Southern Regions, died of a cerebral hemorrhage on 12 June 1946 at Rengam Johore.

e. General Headquarters, Supreme Commander for the Allied Powers has been informed that Admiral Suetsugu, Nobumasa is deceased.

f. The apprehension of General Abe, Nobuyuki was ordered by the Supreme Commander for the Allied Powers. However, because of poor health, his arrest was postponed.

g. Those remaining on the list, namely, Admiral Yonai, Mitsumasa, General Yamada, Otozo and Arida [*Arita*], Hachiro have never been requested for apprehension. It is requested that the Chinese Government be so informed.

For the Supreme Commander:

JOHN B. COOLEY  
Colonel, AGD  
Adjutant General

740.00116 PW/7-2546

*Memorandum by the Legal Adviser (Fahy)<sup>8</sup>*

[WASHINGTON,] August 5, 1946.

Subject: Appointment of General Cramer as Successor to Judge Higgins as United States Member of International Military Tribunal for the Far East

The question has been raised <sup>9</sup> as to the propriety of the appointment of General Cramer to succeed Judge Higgins, General Cramer not having participated throughout the trial.

Article 4c of the Charter under which the Tribunal functions, as amended April 26, 1946, provides:

<sup>8</sup> Transmitted on August 6 to General Hilldring for use in discussion with Sir Carl Berendsen and Sir George Sansom.

<sup>9</sup> See General Hilldring's memorandum of July 25, p. 440.

“c: *Absence*. If a member at any time is absent and afterwards is able to be present, he shall take part in all subsequent proceedings; unless he declares in open court that he is disqualified by reason of insufficient familiarity with the proceedings which took place in his absence.”

This provision of the Charter contemplates the possibility that a member of the Tribunal might be absent during a part of the proceedings. Nevertheless, he shall participate in all subsequent proceedings unless he himself declares in open court that he is disqualified by reason of insufficient familiarity with the proceedings which took place during his absence.

The case of Judge Cramer is no different in principle. He is in a position comparable as an original appointee who might be absent during a part of the proceedings.

There is attached a rough memorandum<sup>10</sup> in which are accumulated laws and precedents which have more or less bearing on the subject. No determinative precedents are available in international legal learning to support such a substitution as has been made in the instant case. On the other hand, none opposes it. It is quite common for agreements under which arbitration tribunals are established to provide that when death or retirement of an arbitrator occurs the vacancy may be filled; and writers on international law express the view that intentional absence of a member of an arbitral tribunal might make it necessary to replace him or dissolve the tribunal. In the Black Tom case before the Mixed Claims Commission, the claims involved were considered at various stages by different commissioners and umpires, the original incumbents having died.<sup>11</sup>

In the United States the California Penal Code (Section 1053) permits the completion of a criminal proceeding by another judge if after commencement of the trial the judge shall die, become ill, or for other reason is unable to proceed. The judge who takes over “shall have the same power, authority and jurisdiction as if the trial had been commenced before such judge.[”] In Arkansas, apparently without statute, a similar rule has been judicially established. (*York v. State*, 121 S.W. 1070-1909; 91 Ark. 582.) In commenting upon the fact that the accused could not have been prejudiced unless in decisions of questions of evidence, the Court said: “But this could not affect the legality of the exchange, as the witnesses whose testimony may be in question in such cases may be recalled,” etc. There is also authority that in the federal courts, after death of the trial judge, a motion for new trial after verdict may be denied by the succeeding

<sup>10</sup> Not attached to file copy of this document.

<sup>11</sup> See Green H. Hackworth, *Digest of International Law* (Washington, Government Printing Office, 1943), vol. VI, pp. 90 ff.



judge. (*U.S. v. Meldrum*, 146 Fed. 390, 394.) The Court held there was the requisite power. As to its exercise the Court said: “. . .<sup>12</sup> the discretion is to be exercised as the exigencies of the case may suggest or require. If the judge cannot do justice except by awarding a new trial, he should not hesitate to do so; but if, on the other hand, he can see from the record that no wrong can or will be done the defendant by denying the motion, the due and regular administration of justice requires that it should be done.” The Court recognized that the judge who had not heard the witnesses might not in many cases be so well qualified as the judge who presided to pass upon a motion for a new trial.

It seems clear, especially in view of the provision of the Articles first above quoted, that there was no legal bar to the filling of the vacancy created by the resignation of Judge Higgins. The provision contemplates, however, that a judge who is not present throughout the proceedings may disqualify himself from participating in all subsequent proceedings because of insufficient familiarity with the proceedings which took place in his absence.

The situation seems as follows: General Cramer is not legally barred from sitting. If the prosecution or if any accused objects to his participation in any part of the proceedings, the question is one for the Tribunal to decide. If General Cramer feels that in any particular matter he is not sufficiently familiar with the whole proceedings to participate in the particular decision he should disqualify.

General Cramer would be well advised, in the event he participates in the final decisions, to have the record affirmatively show that he has familiarized himself with the whole record and is personally satisfied that he is qualified to participate in the decisions to the extent he does participate.<sup>13</sup>

CHARLES FAHY

740.00116 EW/8-3046

*Document Circulated by the United Nations War Crimes Commission,  
London*<sup>14</sup>

CONFIDENTIAL

[LONDON,] August 29, 1946.

A. 12

### TRIAL OF MAJOR JAPANESE WAR CRIMINALS

The Major War Criminals trial re-opened on 3 June with the hearing of counsel's motions, the most important of which, a request by

<sup>12</sup> Omission indicated in the original.

<sup>13</sup> The Secretary of War (Patterson) was informed by letter of August 16, 1946, in regard to the Department's views and advice to General Cramer (740.00116-PW/8-1646).

<sup>14</sup> Copy transmitted in covering despatch 535, August 30, from the U.S. Commissioner, Col. Robert M. Springer, U.S. Army, of the United Nations War Crimes Commission, London; received September 9.

the defence for more time to acquaint themselves with the case, was granted by postponement for ten days. The opening speech for the prosecution, a 54-page document, was, however, read by Mr. Keenan on 4 June. Mr. Keenan left Japan for the U.S.A. on 9 June, for a stay of about four weeks.

Petitions that Matsuoka and Okawa be excluded from the indictment on grounds of health were refused, but permission for them to be removed to hospital from Sugamo prison was granted. Both Matsuoka and Okawa were transferred to Japanese hospitals under directives dated 9 and 13 June respectively. They have since been represented in court by their counsel. On 28 June Matsuoka died of tuberculosis and his name was stricken from the indictment.

The installation of earphones with 3-way switches in all seats of the court (including the public gallery) has helped to speed up proceedings slightly for whenever prepared speeches are being heard translations into Japanese and Russian are given concurrently. The quality of the prepared Japanese translations is excellent, and that of extempore interpretation is much improved, though still somewhat patchy.

The proceedings recommenced on 13 June with the introduction by the prosecution of 88 international treaties and other documents as evidence, and the display of charts showing Japan's territorial expansion. The prosecution completed their exposition of the organization of Japanese politics for war in a couple of days, and then went on to deal with the organisation of public opinion for war. They tried to prove that this was carried out through the entire educational system of the country, and that it extended over newspapers, plays, films, the wireless, etc. The next section of their case, preparation for war against Manchuria, was started on 25 June.

After the first two days' experience of the slowing-up of the proceedings caused by the translation of each question and answer in the examination and cross-examination of witnesses the Tribunal permitted the presentation of evidence in the form of affidavits, on which the witness is cross-examined by the opposing counsel. This procedure has caused a good many protests on technical grounds from the defence, but has cut down the waste of time. So far the witnesses have not made a very good showing for the prosecution for they are generally taken up at some point by the defence, and much of their evidence has been as favourable to the defence as to the prosecution. Several of the witnesses for the prosecution appear, to judge from their demeanour under cross-examination, to have made statements in their affidavits which they have been unwilling or unable to substantiate in open court.

Mr. W. Maung, the Burmese assistant prosecutor, arrived in Tokyo at the beginning of the month but returned almost at once to Burma

to collect evidence. Mr. Robert Oneto, the associate French prosecutor, made his first appearance in court on 5 June and the Philippine judge, Mr. Justice Delfin Jaranilla, who arrived on 7 June, sat on the Tribunal for the first time on 13 June (a defence motion to disqualify him, as a sufferer in the Bataan "Death March", and therefore prejudiced, having been dismissed).

On 17 June the chief American defence counsel and five of his American colleagues resigned giving no official explanation.

Twenty-two Japanese headed by Vice-Admiral Sakonju Naomase, have been detained in Sugamo prison in connection with the execution of sixty-seven British, Indian and Chinese survivors of the *Behar*, sunk in the Indian Ocean in March, 1944.

A directive of 22 June ordered the arrest of twenty former puppet Chinese diplomats and consuls now in Japan.

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740.00116 PW/6-446

*Draft Prepared by the State Department Member of the State-War-Navy Coordinating Committee (Hilldring)*<sup>15</sup>

TOP SECRET

2. By direction of the Joint Chiefs of Staff the letter with its enclosure <sup>16</sup> is returned to you herewith for such action as may be appropriate pursuant to the War Crimes Directive, War 85467, 23 April 1946, with the suggestion that it be referred to the International Prosecution Section as the agency having competence under your authority and that you report to Lord Wright in due course the action taken in relation to those listed. For your information our records show that two are dead, twelve have been indicted before the International Military Tribunal in Tokyo, ten more are held in Sugamo Prison, two have been tried and executed <sup>17</sup> and many more are under consideration for future prosecution.

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<sup>15</sup> This was an appendix to SWNCC 57/15, October 4, circulated in SWNCC on October 11 and there revised.

<sup>16</sup> Lord Wright had written on March 1 to the Chairman of the Allied Council for Japan, enclosing a list of Japanese war suspects prepared by the Australian Government. These were referred to in SCAP's telegram, April 21, to the Joint Chiefs of Staff. None of the documents cited are printed here.

<sup>17</sup> The two executed were Generals Masaharu Homma and Tomoyuki Yamashita, commanders in chief of the Japanese forces in the Philippines at the outset and at the end of the war, respectively.



740.00116 PW/10-1546

*Memorandum by the Legal Adviser (Fahy) to Miss Katherine B. Fite,  
Assistant to the Legal Adviser*

TOP SECRET

[WASHINGTON,] October 15, 1946.

MISS FITE: As to the two questions asked in your memorandum of October 11, 1946,<sup>18</sup> I would say as follows:

1. I have no definite view about whether or not the matter<sup>19</sup> should await the sentence of the tribunal. I lean towards raising it in the interim so as to begin the process of reaching a conclusion.

2. If the property of one accused, but who died before completion of trial, is not property as to which it is claimed acquisition was unlawful or inconsistent with occupation policy directives, it should be in my opinion returned to the legal heirs. If it was acquired unlawfully or in a manner inconsistent with any existing occupation policy directive, the death should not prevent its forfeiture or other treatment under such policy. I cannot be more definite because I do not know whether or not there is in effect under occupation policy in Japan anything like the denazification law in Germany affecting property.

CHARLES FAHY

740.00116 PW/11-2746

*Summary of Testimony Before the International Military Tribunal  
for the Far East at Tokyo of Mr. Joseph W. Ballantine, Special  
Assistant to the Secretary of State, From November 19 to 25, 1946*

In response to the request of Mr. Joseph B. Keenan, Chief of Counsel, International Military Tribunal for the Far East, Mr. Joseph W. Ballantine, Special Assistant to the Secretary of State, went to Tokyo during November 1946 to give evidence on behalf of the prosecution before that Tribunal at the trial in progress of major Japanese war criminals. His presence as a witness was desired in connection especially with the subject matter of Section 9 ("Japan, the United States of America, the Commonwealth of the Philippines and the British Commonwealth of Nations") of the "Summarized Particulars Showing the Principal Matters and Events upon Which the Prosecution Will Rely in Support of the Several Counts of the Indictment in Group One" (see Appendix A, Trial of Japanese War Criminals, Department of State Publication 2613, Far East-

<sup>18</sup> Not printed.

<sup>19</sup> Disposition of property of persons (war criminals) who die before completion of trial and of convicted persons (war criminals) to be presented through SWNCC to the Far Eastern Commission for policy determination.

ern Series.) Mr. Ballantine appeared before the Tribunal to give his testimony from November 19 to November 25, 1946, inclusive.<sup>20</sup>

Mr. Keenan, in introducing Mr. Ballantine to the Court, set forth the contention of the prosecution that "the evidence adduced will show him to be eminently qualified as an expert on the subject of international relations in the Far East." He explained that for that reason Mr. Ballantine's testimony, which was in the form of a prepared affidavit, would include statements of conclusions.

Mr. Ballantine's affidavit (attached),<sup>21</sup> which he read before the Court, and which began with a brief statement of his diplomatic career, contained a résumé of American-Japanese relations in the years preceding the Japanese attack on Pearl Harbor, with special emphasis on matters pertaining to the diplomatic conversations between representatives of the Japanese and the American Governments in 1941. Most of the material included in the affidavit was taken from already published documents, either *Foreign Relations of the United States—Japan, 1931–1941*, or the testimony of former Secretary of State Cordell Hull, before the Joint Committee on the Investigation of the Pearl Harbor Attack. The affidavit was supported by fourteen exhibits, all consisting of documents which had previously been published in *Foreign Relations of the United States*.

The defense entered objection that [to?] the admission in evidence of the affidavit on the grounds, first, that the witness was fully conversant with the Japanese and the English languages, wherefor there did not exist the language difficulties which had been a reason for permitting testimony by affidavit in other cases; second, that it contained many immaterial, irrelevant and repetitious matters and conclusions within the province of the court for determination; and, third, that the defense was seriously prejudiced by evidence in the form of a carefully prepared affidavit rather than in the form of answers to questions. The Court ruled that the procedure had already been decided in chambers, that it would disregard anything not properly in evidence, and pointed out that "far from being prejudiced, the accused, having had advance copies of the evidence, have been enabled to check each statement and to test the truth in cross-examination. They have been advantaged."

Mr. Ballantine was then cross-examined in turn by counsel for the defense, Messrs. Blakeney, Blewett, Cunningham, Warren, Smith, Brannon, Brooks, Logan and Okamoto.

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<sup>20</sup> In a letter of November 27 to the Secretary of State, Mr. Keenan congratulated Mr. Ballantine on his testimony. In a memorandum dated February 14, 1947, the Division of Japanese Affairs stated it had "examined the testimony and considers it entirely consistent with United States policy and effectively presented." (740.00116 PW/11-2746)

<sup>21</sup> Not printed.

With regard to the general attitude of the Government of the United States toward an agreement with Japan, Mr. Ballantine stated in reply to questions by Mr. Blewett that our attitude was governed by the fixed principles of the United States which were traditional in our Far Eastern policy and the most complete embodiment of which was found in the Nine Power Treaty of 1922.<sup>22</sup> He said that we wanted to see those principles carried out in any new agreement; and when the Japanese came to us and asked for a new agreement, we told them it must conform to our fixed principles.

Mr. Ballantine, in reply to a question by Mr. Blewett regarding the State Department's conception of American objectives in the conversations, said:

"It was our desire and our hope to meet the expectations of the American people who desired peace. We wanted to keep alive the spark of peace to the last split second. We wanted to clutch at every straw that might make possible the continuance of peace. Surely there was nothing inconsistent between that objective and giving our armed forces and those of our friends time to prepare adequately for self-defense."

Asked whether the Department believed that under such circumstances an agreement could be reached, Mr. Ballantine said, "Under those circumstances we were all the more anxious to take anything that was possible, but surely we weren't going to sacrifice our principles."

Asked by Mr. Cunningham what the State Department had in mind as a plan or program in the event the negotiations failed, Mr. Ballantine replied:

"I don't know that any conclusion had been reached on that. The Japanese had said that in the event of failure of the negotiations that the consequences would be most unfortunate. We felt that we could go so far, and if we could not go any further, we would just stand and take the consequences."

Thereupon the following colloquy took place:

Q. In your answer to Mr. Blewett you suggested that unless the arrangements or the fixed policy of the United States as settled by the 1922 Conference were carried out, that you could not make an agreement. Now this fixed policy, as you have expressed it, was it the opinion of the State Department that this fixed policy was to be carried out, even if it meant war? Is that correct?

A. It meant that we were unwilling to surrender our principles no matter what were the consequences.

Q. Did it not also mean that even in the light of the changed circumstances between the time the fixed policy was settled until the

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<sup>22</sup> Signed at Washington, February 6, 1922, *Foreign Relations*, 1922, vol. 1, p. 276.



time the negotiations were going on, you would not go beyond a certain limit even if it meant war?

A. The changed circumstances were Japan's breaking away from the Nine Power Treaty of which she was a party. Our position on that is abundantly set clear in a note which we addressed to the Japanese Government on December 30, 1938,<sup>23</sup> which I believe is in evidence before this Tribunal.

In cross-examination by Mr. Blakeney, Mr. Ballantine after having been questioned first in regard to the circumstances relating to the initiation of the conversations looking to a peaceful settlement in the Pacific area which took place between representatives of the American and Japanese Governments in 1941, was then questioned in some detail in regard to the differences between the two parties as they developed during the conversations. In regard to differences arising out of the question of Japan's obligations under the Tripartite Pact, Mr. Ballantine, in response to a question, said:

"We wanted clarification from the Japanese as to what their attitude was, what they would do in case we became involved (in the European war) through acts of self-defense, and we explained clearly what we meant by self-defense."

Thereupon questions were asked by Mr. Blakeney and answered by Mr. Ballantine, as follows:

Q. Then I ask you again whether the Japanese response was not in effect this: That they agreed unconditionally to the existence of the right of self-defense, but could not accept your explanation of its scope?

A. The Japanese came to us and asked for an agreement covering peace in the whole Pacific area. There was one factor which might be likely to cause a disruption of that peace. Japan was a member of the Tripartite Pact. There was a possibility that we might become involved in the war in the Atlantic. We wanted to ascertain from them their attitude, their obligations under the Pact as it affected that possibility.

Thereupon questions were asked by Mr. Blakeney and answered by Mr. Ballantine, as follows:

Q. And your position was, the position of the United States was, was it not, that certain acts were being taken which in the view of the United States were self-defense?

A. Certain acts were being taken or might be taken in the future.

Q. And the United States was requesting Japan to agree that if such acts of self-defense were taken in the future and did lead to involvement in the European war, that Japan would not be committed to action under the Tripartite Pact; is that a correct statement?

A. That is only part of the story. The rest of the story is that we didn't ask for a new agreement. Japan came to us and asked for an

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<sup>23</sup> Note No. 1153, *Foreign Relations*, Japan, 1931-1941, vol. I, p. 820.

agreement; so when they advanced this proposal of May 12,<sup>24</sup> we wanted clarification on that point.

Q. And the Japanese wanted clarification on the point of how far you contended that your right of self-defense extended; did they not?

A. We volunteered that information to them at the outset.

Later in the course of the cross-examination defense counsel reverted to the subject of the Tripartite Pact. Mr. Ballantine in response to questions denied that positions of the two parties came any closer as the conversations progressed. Mr. Blakeney then asked whether it was on the basis of the American redrafts of the proposed agreement that on August 28 Ambassador Nomura said to Secretary Hull that he did not feel there would be any difficulties about the Tripartite Pact question at the proposed Roosevelt-Konoye meeting.<sup>25</sup> Mr. Ballantine replied that he did not know the basis of Nomura's contention. Asked whether it was the position of the Department of State that Japan should be required to abrogate the Pact, Mr. Ballantine said that so far as he knew "we never took a position on that point, only we didn't want any interpretation of that Pact which was inconsistent with the peace agreement which the Japanese sought for the Pacific." For an exposition of that position he referred to point nine in the Ten Point program which was suggested in the American communication to the Japanese representatives of November 26<sup>26</sup> as a basis for future discussions. That point reads as follows: "Both Governments will agree that no agreement which either has concluded with any third power or powers will be interpreted by it in such a way as to conflict with the fundamental purpose of this agreement, the establishment and preservation of peace throughout the Pacific."

In reply to a question whether the Japanese representatives did not give a series of different suggested phraseologies for dealing with the question of their alliance in an effort to meet the American position, Mr. Ballantine said that the furthest they got was to say they would interpret the Pact independently, probably meaning that they would reach their own decision without reference to Germany. In reply to a further question he said we had no basis for reaching the conclusion that their statement of intention to interpret their obligations under the Pact independently was sufficient evidence of Japan's effort to escape from the Tripartite Pact without formally denouncing it. Some further questions were then asked by Mr. Blakeney, which he said was for the purpose of trying to find out why no agreement was reached on this subject. Mr. Keenan objected to cross-questioning on the Tripartite Pact on grounds of its immateriality in the light of the

<sup>24</sup> *Foreign Relations*, Japan, 1931-1941, vol. II, p. 420.

<sup>25</sup> See memorandum of August 28, 1941, *Foreign Relations*, Japan, 1931-1941, vol. II, pp. 576, 577.

<sup>26</sup> *Foreign Relations*, Japan, 1931-1941, vol. II, pp. 768, 770.



final position of the Japanese Government on this matter as expressed in its note of December 7,<sup>27</sup> which reads as follows:

"The American proposal contained a stipulation which states both governments will agree that any agreement which either has concluded with any third power or powers shall not be interpreted by it in such a way as to conflict with the fundamental purpose of this agreement, the establishment and preservation of peace throughout the Pacific area. This version, with the above provision, has been proposed with a view to restrain Japan from fulfilling its obligations under the Tripartite Pact when the United States participates in the war in Europe and as such it would not be accepted by the Japanese Government."

The objection of the Chief of Counsel was sustained by the Court.

In regard to the question of the stationing of Japanese troops in China, Mr. Ballantine stated, when asked what the objections of the American Government to this were, that:

"The objection was that ever since 1936 Japan had made this demand, and it is one of the causes that brought on the extended hostilities. If we were going to have a stabilizing peace in the Far East, it was necessary to have such arrangements as Japan made entered into by amicable negotiations with China."

Asked whether the Department of State objected to the Japanese making an amicable arrangement for the stationing of troops to protect their legitimate interests in China, Mr. Ballantine replied:

"There are two points there. One was the very great vagueness of the Japanese as to what they wanted. The areas were indeterminate; the number of troops was indeterminate; the length of time was indeterminate; there was no clear-cut expression of what they wanted. It was a blank check. . . ."<sup>28</sup>

"The second point was the well known fact that the Chinese Government had shown itself opposed to accepting any such provision."

In further regard to the Department of State's attitude toward this matter, questions were asked and answers given, as follows:

Q. Now, did the Department of State recognize from the outset of these conversations that, owing to internal conditions in Japan, it was to be expected that the reaching of any agreement on this point would be very difficult?

A. The Secretary of State explained time and again that he was prepared to be patient.

Q. Therefore, I suppose it is fair to state that the Department would not have entered upon these conversations at all had it been determined to insist on immediate unconditional withdrawal of all troops.

A. We entered upon the conversations because the Japanese Government had informed us that they wanted a peaceful settlement covering the entire Pacific area.

<sup>27</sup> *Foreign Relations, Japan, 1931-1941*, vol. II, pp. 787, 790.

<sup>28</sup> Omission indicated in the original.



Q. Yes. But I mean practically speaking—not discussing the rights and wrongs, but practically speaking—the Department of State surely must have recognized from the very beginning that it would be impossible to get any agreement for immediate unconditional withdrawal of all troops. That you knew, did you not?

A. The Japanese had told us at the outset of these difficulties, and you will note in our proposal of June 21<sup>29</sup> we had the terms under there, “Subject to further discussion”. We were prepared to explore the subject with them thoroughly and reasonably.

In reply to further questions, Mr. Ballantine contended that little progress was made on this matter as conversations went on. Mr. Blakeney then tendered in evidence a communication from Ambassador Nomura to the Secretary of State, dated November 7, 1941, entitled “Disposition of Japanese Forces” (appearing in *Foreign Relations of the United States, Japan, 1931–1941*, Volume II, pages 709–710). He asked why Mr. Ballantine had not referred to that document in his affidavit. Mr. Ballantine’s reply was:

“For two reasons. One. Because while we were giving consideration to this document, this intercept of the Japanese Government of November 5—about November 5, I don’t remember the exact date—came in.\* That intercept made it clear that the representations being made to us on the troop question were not being made in good faith. The second reason is that you will note in this proposal they injected the island of Hainan, which was entirely a new question which left us just where we were.”

With reference to the attitude of the Department of State to the question of the sincerity of the Japanese approaches following the receipt by it of the intercepted message above referred to, questions were asked and answered, as follows:

Q. Would I then be correct if I said that from that time on as far as the Department of State was concerned you [were] not really negotiating because you had no confidence that any agreement obtained would be of any value?

A. I don’t think that is correct. We were on our guard. We naturally wanted to have things, commitments provided, and we were unwilling to accept vague expressions, and we wanted dependable commitments.

THE PRESIDENT: It was still possible for the Japanese to give you evidence of good faith?

THE WITNESS: I think it would have been still possible.

THE PRESIDENT: By withdrawing troops or any other practical evidence of an intention to follow peaceful courses.

<sup>29</sup> *Foreign Relations, Japan, 1931–1941*, vol. II, p. 486.

\*See page 96, Joint Committee Print, Pearl Harbor, Intercepted Diplomatic Messages Sent by the Japanese Government between July 1 and December 8, 1941. [Footnote in the original.]

Mr. Blewett also asked questions about the subject of the retention of Japanese troops in China. In reply to questions, Mr. Ballantine stated that at no time had agreement been reached between the United States and Japan in regard to the retention of Japanese troops in China against communistic activities; that our attitude on the question had been the same from beginning to end, uninfluenced by the fact of Germany's attack on Russia or by the prospect of German landings in England.

With reference to the attitude of the American Government toward the question of the independence of "Manchukuo," Mr. Ballantine stated:

"Our position right along was that this was a question between China and Japan. If China were voluntarily, through amicable negotiations, willing to agree to it we had nothing to say. Our position was clearly stated in the June 21 draft:<sup>30</sup> Amicable negotiations in regard to Manchukuo."

In regard to the stationing of Japanese troops in French Indochina, Mr. Blakeney asked Mr. Ballantine whether the formulas in successive Japanese proposals did not represent concessions from their original position. Mr. Ballantine maintained that the new formulas represented no recession in substance from the first proposal. Mr. Blakeney then asked whether the Japanese offer in its proposal of November 20<sup>31</sup> to withdraw their troops from Southern Indochina was not a totally new concession. Mr. Ballantine asserted that the offer was perfectly meaningless because there was no limit placed upon the total number of troops they could bring into Indochina and they could bring their troops from Northern Indochina to Southern Indochina within a few days to threaten us.

With regard to the question of military encirclement of Japan, questions were asked by Mr. Blakeney and answered by Mr. Ballantine, as follows:

Q. Well, mention of the Indochina question brings up another point. You knew, of course, the Japanese contention and complaint that Japan was being encircled?

A. We had heard a great deal about that.

Q. Now was there not in truth an A, B, C, D, American-British-Chinese-Dutch cooperation on the subject of Japan and Pacific relations?

A. Naturally, in the situation then prevailing, it was necessary or desirable that the countries affected would consult with each other about means of self-defense.

Q. Then you of the Department of State did know that from, say January, 1941, there had been military cooperation among these na-

<sup>30</sup> *Foreign Relations, Japan, 1931-1941*, vol. II, pp. 486, 490.

<sup>31</sup> *Ibid.*, p. 755.

tions plus Australia with respect to possible action against Japan?

A. I would say military consultations.

Q. And did you of the Department of State know during the year 1941 that the joint defense plans of those nations were the only plans in existence for military defense of American Pacific territories.

A. I do not know that any particular plans of consultation were the only plans for defense.

Q. Now, of course, the United States never accepted the implication of the term "encirclement", did it?

A. The Acting Secretary of State told the Japanese Ambassador that the American policy was the opposite of encirclement policy.

With reference to the freezing measures, adopted by this Government on July 26, 1941,<sup>32</sup> questions were asked by Mr. Blakeney and answered by Mr. Ballantine as follows:

Q. Did the State Department know in taking the steps toward the freezing of Japanese assets that such steps would inevitably drive Japan to seek elsewhere and perhaps in other ways the necessary imports and raw materials upon which to operate?

A. One could hardly know in advance what somebody else is going to do.

Q. Did not the Department of State consider it highly probable that Japan would be compelled to do so?

A. Not necessarily, because at that time the President offered Japan a peaceful alternative to the course she was pursuing.

Q. What offer do you refer to?

A. His offer for the neutralization of Indochina of July 24th.<sup>33</sup>

Q. But I refer to the time when it was decided to impose the assets freezing order, and I ask you whether the State Department did not consider it highly probable then that with the imposition of that order and its consequent effects Japan would turn elsewhere to secure the necessary trade and supplies?

A. That was only one alternative. The other put by the President's offer in regard to Indochina was still pending. It was only two days since the offer was made.

Asked by Mr. Blewett what was the meaning of the State Department in terming the freezing order of July, 1941, a move of self-defense, Mr. Ballantine replied: "Well, when a desperado gets into position to shoot you, you don't want to give him ammunition for that purpose". Mr. Blewett then asked whether that order was not considered by the State Department as practically the waging of economic warfare. Mr. Ballantine replied: "I think the State Department recognized that economic measures of that character could only be taken in a very serious situation, but then we were concerned at that moment with a very imminent [peril]<sup>34</sup> and overt act which neces-

<sup>32</sup> Executive Order No. 8832 signed by President Roosevelt, *Foreign Relations, Japan, 1931-1941*, vol. II, p. 267.

<sup>33</sup> See memorandum of July 24, 1941, *Foreign Relations, Japan, 1931-1941*, vol. II, pp. 527, 529.

<sup>34</sup> Brackets appear in the original.



sitated our taking steps of self-defense." Mr. Blewett next asked whether this freezing action might not be considered by the Japanese as an act of hostility. Mr. Ballantine replied: "We were concerned, as I said before, then with the question of self-defense which, in view of the imminence of the peril that was created by Japan's move into southern Indochina—that consideration overrode any other consideration in the situation. I think I explained that in my affidavit." Finally Mr. Blewett inquired whether the freezing measures had a deterrent effect upon the conversations, and Mr. Ballantine replied: "The Secretary of State had already suspended the conversations before the freezing order, and after the freezing order it was the Japanese who came back and asked that the conversations be resumed."

With regard to the subject of the proposed meeting between Prince Konoye and the President, Mr. Blakeney asked questions and Mr. Ballantine gave answers as follows:

Q. In explaining in your affidavit, page 11, the American reasons for inability to adopt this proposal, you dwell on the effects which might have been expected to result from the failure of the proposed meeting. I am quite sure, however, that equal consideration must have been given to the prospects of success of such an extraordinary meeting between the President and the Premier?

A. We had given careful consideration to that, but we had concluded that unless we reached an agreement in advance on essential principles and their application, that the meeting would result—would not be productive of results.

Q. Especially since you say months of close up conversations with the Japanese Ambassador had failed to produce results?

A. That is correct.

Q. Now I ask you whether this very fact was not so much the more reason for making the effort through this meeting of the highest responsible officials to secure the concrete and clear-cut commitments from Japan which were desired?

A. The chances, in the light of the circumstances, of getting anywhere when the Japanese had so clearly failed to move on these fundamental points were so dim that naturally we had to give important consideration to what the effects would be if no agreement resulted.

Q. Prince Konoye was Premier at that time?

A. That is correct.

Q. Was there a feeling in the State Department that Prince Konoye was a representative of a liberal—moderate group in Japan which might be the best hope of achieving the peace desired?

A. What loomed largest in the consideration of the Department of State was that the military party was dominant in Japan.

Q. Was the Department at that time aware of the line of thought that the best way to destroy the dominance of the military party was to encourage the moderates in some way?

A. Yes, we had heard that before.

Q. And the further suggestion that a measure of agreement with the United States would probably be the best means of establishing the moderates firmly in control of Japan?

A. That argument had also been brought up in April by those friends, unofficial Japanese and American friends, when these proposals were first brought to us;<sup>35</sup> but the proposals they brought did not seem to, without considerable revision, to offer a prospect for agreement.

Q. In fact, such a meeting had been one of the ingredients in the original draft of the 16th (*sic*) of April, had it not?

A. That is correct.

Q. So far as concerns the desirability of such a meeting between the President and the Premier, Ambassador Grew in Tokyo expressed to the Department, did he not, a great enthusiasm for and hopefulness concerning such a meeting?

A. That is so; but he was only reporting from the viewpoint of Tokyo as he himself stated.

Q. And from the viewpoint of Tokyo did he not feel that, in his own words: "The good which might flow from such a meeting is incalculable"?

A. There is no question about what Mr. Grew reported in his telegram. It has been published.<sup>36</sup> It is in the record.

Q. I should like to ask you also whether the Department took into consideration this further suggestion of Ambassador Grew contained in his long telegram to the Department of the 29th of September<sup>37</sup> reviewing the whole situation, wherein, speaking of the proposed meeting, he says this: "He raises the questions whether the United States is not now given the opportunity to halt Japan's program without war or an immediate risk of war; and, further, whether through failure to use the present opportunity, the United States will not face a greatly increased risk of war. The Ambassador states his firm belief in an affirmative answer to these two questions"?

A. We gave capital consideration to that as well as all other suggestions of Ambassador Grew.

Q. Did the Department consider further at that time the likelihood also referred to by Ambassador Grew that Prince Konoye would be in a position to give to the President more directly explicit and satisfactory engagements than his Ambassador could do?

A. We did not see how—what explicit commitments that would have been of a satisfactory character could be given in the light of the failure to reach an agreement on so many fundamental points during all those months of conversation.

Q. In any event, the meeting did not occur because of the facts which you have stated in your affidavit?

A. And also for the many considerations stated in our communication of October 2nd<sup>38</sup> and in further explanations made in the published record.

<sup>35</sup> Document of April 9, 1941, *Foreign Relations*, Japan, 1931-1941, vol. II, p. 398; see also *Foreign Relations*, 1941, vol. IV, p. 123, footnote 78, and p. 135, footnote 85.

<sup>36</sup> See telegram 1268, August 18, 1941, 10 p. m., *Foreign Relations*, Japan, 1931-1941, vol. II, p. 565; cf. memorandum of August 18, 1941, *ibid.*, p. 560, and telegram 1266, August 18, 1941, 8 p. m., *Foreign Relations*, 1941, vol. IV, p. 378.

<sup>37</sup> Telegram 1529, September 29, 1941, noon; for text, see *Foreign Relations*, 1941, vol. IV, p. 483; for substance, see *Foreign Relations*, Japan, 1931-1941, vol. II, pp. 645, 648.

<sup>38</sup> *Foreign Relations*, Japan, 1931-1941, vol. II, p. 656.



Q. Then with the closing of the question of a meeting between the President and Premier, the conversations were thrown back to the same state approximately in which they started, were they not?

A. We never closed the question of a meeting with the Premier.

Q. Well, perhaps I should have said, with the final decision of the State Department to send its answer to the proposal for a meeting?

A. In our communication of October 2nd, we indicated that we were still willing to have the meeting, and we asked for further consideration to be given to certain points that we mention in that communication. We never got anything further back on that point from the Japanese.

Mr. Smith asked a number of questions with reference to the Amau statement referred to by Mr. Ballantine in his affidavit. The Amau statement, by Eiji Amau, spokesman of the Japanese Foreign Office on April 17, 1934,<sup>39</sup> dwelt upon the special position arrogated to herself by Japan in China. Mr. Smith also referred to Ambassador Grew's account of a conversation he had with Mr. Hirota, Minister for Foreign Affairs, in which Mr. Hirota endeavored to play down the impressions created abroad by the Amau statement.<sup>40</sup> Mr. Ballantine in his affidavit had made no reference to Mr. Hirota's interpretation. In the course of cross-examination the following colloquy occurred:

Q. Well, then, would you explain in detail why you chose to accept an unofficial statement of a Foreign Office spokesman in preference to what the Foreign Minister of Japan said on the subject to Mr. Grew?

A. In the first place, Mr. Amau's statement that he made was never repudiated publicly by the Japanese Government so far as I recall. Mr. Hirota's statement was a private statement, not a public statement. Finally, as I have already stated, subsequent developments in Japanese policies in China bore out that Amau's statement seemed to represent more clearly what was—what conformed more closely to subsequent developments in Japanese policy.

Q. Are you aware that on April 21st, 1934, Mr. Amau made another unofficial statement to the newspaper men in which he expressed desire—I mean surprise—at the interpretations which the press had placed upon his statement of April 17th? Are you familiar with that statement?

A. Nevertheless, subsequent developments and manifestations of Japan's policy in China would bear out the interpretation that was made, which would seem to be the sound one.

Q. I have just handed to you Mr. Amau's own notebook as to the statement he gave out on April 21, 1934.<sup>41</sup> I would like to have you read it and see if you remember that statement?

A. I do not recall having read this before, but I do not think that this explanation helps very much. There is, for example, a passage

<sup>39</sup> See *Foreign Relations*, Japan, 1931-1941, vol. I, p. 224.

<sup>40</sup> See telegram 75, April 25, 1934, 1 p. m., from Tokyo, *Foreign Relations*, Japan, 1931-1941, vol. I, p. 227.

<sup>41</sup> Cf. enclosure 1 to note of April 25, 1934, from the Japanese Ambassador (Saito), *Foreign Relations*, Japan, 1931-1941, vol. I, p. 229.



in here, "We should not forget for a moment that Japan, serving as the only cornerstone for the edifice of peace of East Asia, bears the entire burden of responsibilities."

Q. What else do you find in there that does not help us any?

THE PRESIDENT: You need not answer.

In connection with the question of offering Japan a *modus vivendi* which was given consideration in the American Government between November 20 and November 26,<sup>42</sup> Mr. Ballantine explained in reply to questions as to provision therein for giving Japan petroleum that there was provision herein for a small quantity for civilian purposes—small indeed with what Japan expected to receive under its proposal of November 20. Asked then whether after the freezing measures had been adopted the State Department had considered it apparent that there could be no agreement on the petroleum question, Mr. Ballantine replied:

"If Japan had reverted to peaceful courses, there would have been no difficulty about any petroleum or any other trade question."

Questions were then asked and answered as follows:

Q. Well, I'm asking you whether, as a practical matter, the State Department believed that Japan was going to do anything which would render an agreement on this petroleum question at all likely.

A. When Japan moved into southern Indochina in a position to attack us, we couldn't see our way clear to give Japan petroleum for that purpose.

Q. If the petroleum question was one on which the parties were so far from agreement, did the State Department believe that there was any real prospect of an agreement on the *modus vivendi* at all?

A. We thought there was very little prospect of an acceptance by Japan of the *modus vivendi* that had been drafted.

Q. Do you remember Secretary Hull saying something about there being one chance in three that it would be acceptable?

A. He said, I believe, "not more than one chance in three."<sup>43</sup>

Q. Yes, I believe that's correct. Nevertheless, Secretary Hull did urge it upon the Chinese Ambassador<sup>44</sup> on the 25th of November,<sup>45</sup> did he not, saying that "we have been carrying on conversations and making some progress so far?"

A. Yes, he proposed it to the Chinese Ambassador.

Q. So that the Department felt, did it not, that there was some reasonable prospect that the presentation of the *modus vivendi* would result in the achievement of further progress?

A. He didn't think there was a reasonable prospect. He thought there might be a very slight prospect of the thing—the proposal was a worthwhile proposal, but he did not think there was much of a chance

<sup>42</sup> See *Foreign Relations*, 1941, vol. iv, pp. 626 ff., *passim*.

<sup>43</sup> See memorandum of November 22, 1941, *Foreign Relations*, 1941, vol. iv, p. 640.

<sup>44</sup> Hu Shih.

<sup>45</sup> See memorandum of November 25, 1941, *Foreign Relations*, 1941, vol. iv, p. 652.

of the Japanese accepting it. The Japanese had given a very clear indication in their intercepts that that of November 20 was their minimum proposal, and what we were offering was chickenfeed compared with what they were asking.

Q. You already said, I believe, that the *modus vivendi* was never presented.

A. I don't remember whether I said it or not, but that is a fact.

Q. Would it be correct to say that it was not presented finally because of the opposition of the Chinese as expressed by the Chinese Ambassador?

A. That was one important factor in the situation. There were other factors.

Q. At this time, however, the position of the Department of State was, was it not, that it was not acting for the other interested nations?

A. The proposed *modus vivendi*—our proposed *modus vivendi* called for certain steps in cooperation by these other countries. It could not have been carried out by the United States alone.

Q. The *modus vivendi* draft was thought of, was it not, in the Department of State, as being merely a continuation of the previous conversations?

A. The *modus vivendi* was a part of the whole proposal. The communication of November 26—the whole communication was a part of that, too, of which the *modus vivendi* was to be just one part. What we envisaged was that during the life of the *modus vivendi* we would carry on conversations toward the objectives of a permanent peaceful agreement.

Q. And those conversations would have been a continuation of the conversations which had been in progress, would they?

A. That is correct.

In reply to a question by Mr. Warren as to why Mr. Hull abandoned the *modus vivendi*,<sup>46</sup> Mr. Ballantine replied:

"As Mr. Hull explained in his Pearl Harbor testimony very clearly, the Chinese were very much opposed to it. We felt, or Mr. Hull felt that it would be very discouraging factor on the Chinese, who were being hard pressed, might cause their resistance to collapse. The other powers were luke-warm toward it. There was a strong body of opinion in the United States who we felt were opposed to it."

With regard to the President's message to the Emperor,<sup>47</sup> Mr. Ballantine testified, in reply to questions, that the Department of State thought that the chances were very slim that the message would accomplish anything but that in view of the desperate situation it was believed that even the slightest chance should not be overlooked. He described the desperate situation as follows: "The Japanese fleet had already sailed from that extreme southern part of Indo-China. We were in imminent danger. The situation was right then upon us."

<sup>46</sup> See memorandum by the Secretary of State to President Roosevelt, November 26, 1941, *Foreign Relations*, 1941, vol. iv, p. 665, and footnote 97.

<sup>47</sup> Telegram of December 6, 1941, *Foreign Relations*, Japan, 1931-1941, vol. II, p. 784; cf. telegram 817, December 6, 1941, 8 p.m., to Tokyo, *Foreign Relations*, 1941, vol. iv, p. 727.



701.9394/11-2946

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

RESTRICTED

TOKYO, November 29, 1946.

No. 731

[Received December 5.]

SIR: I have the honor to enclose <sup>48</sup> copies of correspondence between the Chinese Mission in Japan, this Headquarters, and the Japanese Government on the subject of the arrest of former Chinese puppet diplomatic and consular officials, as follows:

a. From the Chinese Mission to the Diplomatic Section (this office), June 3, 1946, requesting the arrest of twenty former Chinese puppet diplomatic and consular officials in Japan.

b. From General Headquarters to Major General C. Wang, October 21, 1945, subject, "Arrest of Puppet Diplomatic and Consular Officials" in which it is stated that the Supreme Commander "will take all practicable steps to apprehend and deliver to the custody of the Government of China such persons as are charged by it with offenses" under the categories of war criminals, renegades, or quislings.

c. From General Headquarters to the Japanese Government, June 22, 1946, on the subject "Apprehension of Chinese Nationals" (AG-091 (22 June 46) GB/CIS) (SCAPIN 1032).

Following the directive of June 22, 1946 to the Japanese Government, a number of corrections, additions, and deletions to the list of individuals whose arrest was desired were received from the Chinese Mission and the necessary procedure taken by this Section with other Sections of this Headquarters and the Japanese Government to comply with the requests of the Chinese Mission. As a result, thirteen Chinese and one Japanese were apprehended by the Japanese police and turned over to the Occupation authorities and placed in the status of prison, house, or hospital internment pending arrangements by the Chinese Mission for their return to China. G-2 Section of General Headquarters, as the responsible Section, upon several occasions contacted the Chinese Mission in an endeavor to have the apprehended persons taken over by Chinese authorities in order to ease the problem of custody, subsistence, and surveillance. The Chinese Mission, however, suggested that the internees remain in Japan until all persons whose apprehension was requested have been interned. It was felt that this suggestion is impractical in view of the inability of the Japanese police to locate approximately half of the requested persons.

In an endeavor to resolve the troublesome problem of maintaining the apprehended former Chinese puppet officials, this Section sent a note dated November 8, 1946 to the Chinese Mission setting forth the situation as of that date and requesting the institution without delay

<sup>48</sup> Enclosures not printed.



of procedure necessary to return to China the interned individuals together with their families. A copy of this note is enclosed as enclosure no. 4.

Respectively yours,

GEORGE ATCHESON, JR.

711.94/1-2247

*Memorandum Entitled "Reconstruction of Japanese Plans Leading Up to the Attack on Pearl Harbor"*<sup>49</sup>

The following summarization has been prepared on the basis of reliable information obtained from various sources subsequent to the attack on Pearl Harbor. Although this summary does not represent a résumé of Japanese Combined Fleet Operation Order No. 1,<sup>50</sup> it will be apparent that heavy reliance has nevertheless been placed upon that document, a translation of which is submitted under separate cover.<sup>51</sup>

The Japanese Naval High Command completed preparations during the summer and fall of 1941 to carry out a projected 2-phase plan of conquest and consolidation in the Asiatic-Pacific theatre. The essence of the plan lay in the element of *surprise* in a sudden attack which at one fell swoop would cripple the major potential opposition—the American Fleet maintained at Pearl Harbor. Following the crippling of this opposition weapon, coincident with the seizure and occupation of land masses desired for the economic, political, and military reasons that together determined the borders of the Greater East Asia Co-Prosperity Sphere, Phase 1 of the campaign would be completed, and Phase 2—the consolidation of these gains by the seizure or neutralization of outer areas, together with the continued attrition of the enemy forces and his lines of supply—could be carried out to ensure the permanence of the new Empire.

The Japanese fleet, which had been in training over a period of years for combat fleet operations, was in a state of readiness by the summer of 1941. By late August of 1941, there is evidence based on information believed to be reliable, that the Commander in Chief of the Combined Fleet<sup>52</sup> ordered all fleet commanders and their key staff members to Tokyo for war games \* preparatory to a final formulation of operation plans. The final games reportedly got underway on 2

<sup>49</sup> Undated and unsigned but stamped January 22, 1947, by the Office of the Secretary, Department of State. A notation on the original reads: "Based upon information obtained subsequent to 7 December 1941".

<sup>50</sup> For text, see *Pearl Harbor Attack: Hearings before the Joint Committee on the Investigation of the Pearl Harbor Attack*, 79th Cong., 1st sess., pt. 13, pp. 431 ff.

<sup>51</sup> Not found in Department files.

<sup>52</sup> Adm. Isoroku Yamamoto.

\*See Appendix 1. [Footnote in the original; appendix not printed.]

September 1941, with most of the high ranking officers participating on one of the three teams that were organized: the "N" (Nippon) Team, "A" (America) Team, and "E" (England) Team.

During the afternoon of 3 September, 50 copies of an outline of conditions under which the games were to be held were prepared and contained the heart of Operation Order No. 1. These plans must have been under development for several months, as extensive preliminary planning was indicated.

On 5 September, it is known that Pearl Harbor plans were under discussion and the Japs apparently expected to catch all major U.S. Fleet units in the Pacific in Pearl Harbor, as well as units which they believed were recently transferred from the Atlantic. "N" Team expected to lose one-third of the units participating in the attack on Hawaii and one Akagi-class aircraft carrier and one Soryu-class aircraft carrier were estimated as sunk.

On 6 and 7 September, "N" Team debated the best means of assaulting Pearl Harbor. Captain Kurojima (Deputy Chief of Staff) and Rear Admiral Ito (Chief of Staff)<sup>53</sup> differed as to the practicability of conducting an amphibious assault on Hawaii. Ito was in favor of an early landing but Kurojima won the discussion by pointing out insuperable logistic problems.

These early sessions apparently were confined primarily to two general problems: first, the details for a surprise raid on Pearl Harbor; and second, a schedule for occupying Malaya, Burma, N.E.I., the Philippines, the Solomons, and Central Pacific Islands, including Hawaii. The conferences and games were ended about 13 September. At the end of September, the Main Body of the Jap Fleet moved to Saeki and four revisions of Combined Fleet Operation Order No. 1 were made while *Nagato* (Flagship) was at Saeki, although no major changes are indicated.

The actual operation plan itself—Combined Fleet Top Secret Operation Order No. 1—has since been recovered and is reproduced in its entirety under separate cover. The objectives of the campaign strategy, the outline and sequence of operations planned, and the organization of the naval forces allotted to each phase of the operations were set forth in the Operation Order, and are analyzed below.

#### OBJECTIVES:

The general aims of the entire campaign were predicated on the desires for military conquest and security, and enhancement of the Empire by the occupation of areas rich in natural resources:

"1. In the east, the American Fleet will be destroyed and American lines of operation and supply lines to the Orient will be cut.

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<sup>53</sup> Capt. Kameto Kurojima and Rear Adm. Seiicho Ito, respectively, of the Combined Fleet.



"2. In the west, British Malaya will be occupied and British lines of operation and supply lines to the Orient, as well as the Burma Road, will be cut.

"3. Enemy forces in the Orient will be destroyed, bases of operations will be seized, and areas with natural resources will be occupied.

"4. Strategic areas will be seized and developed; defenses will be strengthened in order to establish a durable basis for operations.

"5. Enemy forces will be intercepted and annihilated.

"6. Victories will be exploited to break the enemy's will to fight."

#### OUTLINE OF OPERATIONS :

For the accomplishment of the objectives stated above, it was contemplated that operations would be carried out in two phases—the First Phase, comprising conquest of the American Fleet and occupation of areas desired, in large part, for economic reasons (the Philippines, British Malaya, Netherlands East Indies); the Second Phase, comprising consolidation of these gains by mopping-up operations, establishment of advance bases for defense of the occupied territory, and the continued attrition of enemy forces and lines of communication. The conquest or neutralization of areas deemed of strategic importance primarily from the point of view of military security was to occur during the Second Phase, no definite plan being provided initially for the chronology of those operations. Apparently both the precise timing of that portion of the campaign and the determination of which of these strategic areas (listed as Eastern New Guinea, New Britain, Fiji, Samoa; Aleutians and Midway; Andaman Islands, strategic points in the Australia Area) would be seized and which merely neutralized, were problems to be worked out in detail following the completion of the occupation of the areas desired for their economic value as integral portions of the new Co-Prosperity Spheres, and to be solved "as quickly as operational conditions permit."

##### A. *Occupation: "First Phase Operations"*

Basically, at this initial stage of the war, the Imperial Navy had four missions to fulfill:

(i) The destruction of the American Fleet in the Hawaiian area.

(ii) The maintenance and extension of control over the Central and South Pacific, to deny these waters to any force which might menace the flank of the forces driving southward.

(iii) The support of army invasion of the Philippines-N.E.I.-Southeast Asiatic areas and the destruction of Allied naval forces therein.

(iv) The protection of the North, both against thrusts by the United States from the Aleutians and also against a possible attack by the U.S.S.R.

Aside from the considerably inferior air power and the relatively few scattered surface fleet units possessed by the Allies in the Asiatic-



N.E.I. area, the only obstacle of consequence was the American Fleet and air-power based at Hawaii. While Japanese land-based air and surface task groups could suffice to support the amphibious landings in the Philippines-N.E.I.-Asiatic area, a major Japanese task force, built around a carrier striking group, was essential to conduct a surprise attack on the American Fleet. Accordingly, the following general allocation of Japanese forces\* was planned for the First Phase operations.

(i) *For the Pearl Harbor Attack:*

The Striking Force under the Commander in Chief, 1st Air Fleet,<sup>54</sup> comprising 2 fast battleships, 6 first-line carriers (with a maximum of 400 planes of all types), 2 heavy cruisers, 1 light cruiser, and 16 destroyers plus,

The Advance Expeditionary Force under the Commander in Chief, 6th Fleet,<sup>55</sup> comprising 1 training cruiser, 2 light cruisers, 20 fleet submarines, and 5 midget submarines.

(ii) *For the Invasion of Wake and Guam* (and of Rabaul if conditions warranted):

The South Seas Force under the Commander in Chief, 4th Fleet,<sup>56</sup> comprising 4 heavy cruisers, 3 light cruisers, 1 training cruiser, 12 destroyers, 16 submarines.

(iii) *For the Invasion of the Philippines-N.E.I.-Malaya:*

The Southern Force under the Commander in Chief, 2nd Fleet,<sup>57</sup> comprising 2 battleships, 2 small aircraft carriers, 11 heavy cruisers, 7 light cruisers, 52 destroyers, 16 submarines.

(iv) *For the protection of the High North:*

The Northern Force, under the Commander in Chief, 5th Fleet,<sup>58</sup> comprising 1 heavy cruiser, 2 light cruisers, 2 destroyers.

(v) *In Reserve:*

The Main Body under the Commander in Chief, Combined Fleet,<sup>59</sup> comprising 6 battleships, 2 light cruisers, 8 destroyers.

The operations of these forces during the First Phase were to be divided into three periods:

(a) *First Period Operations:*

Operations from the outbreak of war until the main body of the invasion army had been landed in the Philippines. To end about X plus 20.

\*See Appendix 2 for allocation of Japanese Task Forces. [Footnote in the original; appendix not printed.]

<sup>54</sup> Vice Adm. Chuichi Nagumo.

<sup>55</sup> Vice Adm. Mitsumi Shimizu.

<sup>56</sup> Vice Adm. Shigeyoshi Inoue.

<sup>57</sup> Vice Adm. Nobutake Kondo.

<sup>58</sup> Vice Adm. Boshiro Hosokaya.

<sup>59</sup> Adm. Isoroku Yamamoto.

(b) *Second Period Operations:*

Operations after (a) and until the main body of the invasion army had been landed in British Malaya. To end about X plus 40.

(c) *Third Period Operations:*

Operations after (a) and until the completion of the occupation of the Netherlands East Indies.

(i) *Central Pacific Operations:*

(a) *Attack on Pearl Harbor*

*Assumptions by the High Command:*

It is clear from a study of the operation plans that the Japanese High Command made the following assumptions about the American Fleet:

(a) That the main body of the United States Pacific Fleet would be at anchor within Pearl Harbor, or at least in the Hawaiian area.

(b) That a fast carrier force could be moved from the Empire across the Pacific to the north of Midway, within striking distance of the main islands of the Hawaiian group without undue risk of detection by American defensive reconnaissance.

(c) That should assumption (a) or (b) be in error, a reserve group of heavy units could sortie from the Inland Sea to give support to the carrier striking force in a decisive engagement against the American Fleet. The other task forces of the Japanese Fleet—the Southern Area Force, Northern Area Force, South Seas Force—would also be available. Implicit in the plan is the assumption that in the event of such an engagement, the combined strength of the bulk of the Japanese major fleet units could defeat the American Fleet.

(d) That a powerful carrier air strike directed against the American forces based in Hawaii could, if tactical surprise were effected, achieve the strategic result of crippling the American Fleet, and the tactical result of destroying the American land-based air to permit the Japanese striking force to withdraw without damage. While the latter assumption does not appear explicitly in the copy of the Japanese Combined Fleet Operation Order No. 1 recovered in the Philippines, it is logically implicit in the plan, and probably was a feature of the specific Operation Order issued by the Striking Force Commander. The seizure of air superiority is part of the classic Japanese naval doctrine.

The four assumptions outlined above were well grounded. An espionage network in the Hawaiian Islands, together with uninterdicted cable communications between Hawaii and Japan, undoubtedly aided the Japanese in establishing their basic hypothesis—namely, that the bulk of the American Pacific Fleet would be waiting at anchor at Pearl Harbor at the time of their surprise attack. The feasibility of

a surprise attack prior to a declaration of war was, of course, borne out by events.

(i) *Diplomatic Deception:*

The operation plan providing for the outbreak of war and the attack on Pearl Harbor was published on 5 November 1941 as Combined Fleet Top Secret Operation Order No. 1, and Y day (8 December, Japanese time) was set in Combined Fleet Top Secret Operation Order No. 2 on 7 November 1941. At the same time, the Japanese envoy Mr. Kurusu was en route to Washington to join the Japanese Ambassador in conducting conversations with the American Government. On 7 November—the date that Y day was set—a “leading Japanese and reliable informant” visited the American Ambassador in Japan reportedly at the request of Foreign Minister Togo and urged repeatedly that, whether or not Japanese concessions were deemed inadequate by the United States, it was “of the highest importance that the Washington conversations be continued and not permitted to break down.”<sup>60</sup> These conversations were continued throughout November and until the actual launching of the surprise attack. While it is true that Operation Order No. 2, setting Y Day, was not sufficient by itself to effect the launching of the attack on that day, it was sufficient to despatch the various Japanese task forces to their scheduled pre-invasion rendezvous points (Takan Bay in the Kuriles for the Pearl Harbor Striking Force; Mako in the Pescadores for the main body of the Philippines Force, etc.) and have the Fleet complete its basic preparations for an attack on that day. And it seems evident, from a study of such available subsidiary orders as were issued during November 1941 by certain of the task forces involved in the plan, that the supplementary orders that were to cause the task forces to move forward to their attack positions and were to specify precisely the time for the outbreak of war, were to be issued almost as inevitable concomitants of the initial decision embodied in Operation Orders Nos. 1 and 2. While a radical change in the diplomatic situation might have caused the plan to be abandoned, it seems probable that nothing short of complete American acceptance of the Japanese terms in their note of 20 November 1941 would have been regarded as sufficient to cancel the plans already set in motion. In any event, the continuation of diplomatic negotiations by the Japanese after their task forces were already en route to their final goals must be deemed nothing short of deception.

(ii) *Radio Silence:*

The Striking Force, as it moved north to the sortie point in the Kuriles, and thence to the eastern Pacific, was operating under strict

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<sup>60</sup> See memorandum of November 7, 1941, by the Ambassador in Japan, *Foreign Relations, Japan, 1931-1941*, vol. II, p. 705.



injunctions to maintain radio silence to help assure the secrecy of its movement and mission.

(iii) *Radio Deception:*

The 1st Combined Communications Unit was directed to maintain deceptive traffic to simulate the presence of the main strength of the Japanese Fleet in the Inland Sea. At the same time, the early December movements of the Japanese units en route to the south were not conducted under complete radio silence—possibly because the element of surprise for that part of the campaign could not be preserved by silence since Allied visual observations could be made of those movements and possibly because of the belief that the ability of Allied intelligence to trace the southward movements of the Southern Force, and only those movements, would further bolster the effectiveness of the strategic surprise desired for the operations of the Striking Force.

*Composition of the Forces Attacking Pearl Harbor:*

*Striking Force*

*Commanding Officer:* Commander in Chief, 1st Air Fleet—Vice-Admiral Chuichi Nagumo.

Battleship Division #3 (1st section) (*Hiei*, 2 battleships  
*Kirishima*)

Carrier Division #1 (*Kaga*, *Akagi*)

Carrier Division #2 (*Hiryu*, *Soryu*)

Carrier Division #5 (*Shokaku*, *Zuikaku*) 6 aircraft carriers.

Cruiser Division #8 (*Tone*, *Chikuma*) 2 heavy cruisers

Destroyer Squadron #1 (*Abukuma*, 1 light cruiser

4 destroyer divisions) 16 destroyers

Plus 11 train vessels

*Advance Expeditionary Fleet*

*Commanding Officer:* Commander in Chief, 6th Fleet, Vice Admiral Mitsumi Shimizu.

(*Isuzu*, *Yura*) 2 light cruisers

(*Katori*) 1 training cruiser

1-class submarines (including Submarine Squadrons #1, #2, #3: (I-1, 2, 3, 4, 5, 6, 7, 16, 17, 18, 20, 22-24, 68, 69, 74)

20 submarines

Midget submarines

5 midget submarines.

Plus 6 train vessels.

*Execution of the Operation*

The Striking Force assembled at Tankan Bay in Etorofu Island (Kuriles) during late November 1941, and sortied for the attack on

or about 27 November, following a course to the eastward and then southward, as indicated on the captured track chart appended (see Appendix 3).<sup>61</sup> Of the 11 train vessels allotted in the Operation Plan, reliable information suggests that only 3 tankers and 1 supply ship actually accompanied the Force. Apparently also, 3 submarines of the Advance Expeditionary Force (submarine fleet) accompanied the Striking Force—the other submarines having proceeded from the Inland Sea independently of the Striking Force. During the fast voyage to their destination 200 miles due north of Oahu, the vessels of the carrier force were kept fueled successfully, albeit with considerable difficulty in many cases. Upon arrival at their destination, about 200 miles due north of Oahu, the carriers launched their aircraft, which rendezvoused further south and then flew in for a coordinated attack. Three waves of these carrier aircraft were employed, commencing at 0747 and ending at 0936, local time; the first attack was on various airfields, followed by attacks on the warships in Pearl Harbor. Following the successful completion of these surprise attacks, the carrier force withdrew to the Empire, taking a circuitous route to Hashirajima and arriving on 23 December. En route, Carrier Division #2 (*Hiryu*, *Soryu*) and Cruiser Division #8 (*Tone*, *Chikuma*) were detached as a small reinforcement group for the Wake Island operation. Losses sustained by the Striking Force during the Hawaiian operation reportedly totalled 29 aircraft.

Until the completion of the surprise attack on Hawaii by the Striking Force, the "Advance Expeditionary Force" of submarines was under the command of the Striking Force Commander. The precise movements of the participating submarines prior to the actual attack are not clear, although some information suggests that the bulk of those units left the Empire in late November. So far as is known, the functions allotted the submarines in Operation Order No. 1 were carried out as planned, viz.:

(a) Until X-3, submarines were to reconnoiter important points in the Aleutians, Samoa, Fiji, and Tutuila, and were to observe and report on any powerful American forces discovered.

(b) One element was to patrol along the route of the Striking Force in advance of the movement of that Force—to ensure the undetected approach of the carrier group to its destination.

(c) Until X-5, the remaining submarines were to surround Hawaii at extreme range while one element approached and reconnoitered without being observed.

(d) On X day, the function of the submarines would be to "observe and attack the American Fleet in the Hawaii Area; make a surprise attack on the channel leading into Pearl Harbor and attempt to close it; if the enemy moves out to fight he will be pursued and attacked."

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<sup>61</sup> Not attached to file copy of this document.



Prior to the attack on X Day, the force of I-class submarines took up scouting positions in several allotted patrol sectors covering the waters in the vicinity of Pearl Harbor, while the 5 midget submarines were launched as a Special Attack Force to conduct an offensive attack against American warships within the Harbor and to prevent the escape of the fleet through the Harbor entrance during the scheduled aerial strike. Available data indicates that only two of the five subs penetrated into the Harbor; none of the five inflicted any damage on American units, and none of the five rejoined the Japanese Fleet. American naval units accounted for 3, possibly 4, of the total, and the 5th beached itself at Oahu.

During and after the attack, submarines outside of the Harbor area remained on patrol to oppose any possible sortie of American warships. The following is a translation of an extract from the "Report of the I-69's Operations off Pearl Harbor, 8-10 December 1941" (Tokyo time), written by the Commanding Officer of the I-69 (flagship of Submarine Division 12) and presents a picture of the operation as experienced by one of the Japanese units on patrol:

"During daylight on December 8 (December 7 Honolulu time), the I-69 was cruising submerged, engaged in surveillance in Scouting Sector D (about 17 miles southwest of Pearl Harbor). Immediately after the attack upon the enemy by the Striking Force and the Special Attack Force, we were able to hear easily, by means of submarine sound detectors, explosions of bombs and torpedoes, and upon hearing the sound of depth charges, I judged that the Special Attack Force was engaged in heavy fighting.

"At 1400 radio orders from the Commander of Submarine Forces were received, assigning the I-69 to a surveillance in the central sector of E Inner Scouting Area (a circle with a radius of 8.5 nautical miles, with Pearl Harbor as the center). The orders further specified the annihilation of the remaining enemy forces.

"After sunset we surfaced, in an attempt to assist as much as possible, but during the night we sighted five destroyers. While submerging, we received a close-range depth-charge attack. . . .<sup>62</sup> At 0015 on the 9th Tokyo time) we surfaced, making certain that no enemy patrol boats were within close range. On a course obliquely to the west, and at battle speed, we hurriedly recharged batteries.

"We sighted 2 patrol vessels on our port quarter and beam respectively, each about 5 kilometers away, and in about 30 minutes we reversed course. Pearl Harbor shone red in the sky, like a thing afire. It was already dawn."

In the post-attack phase, the I-class submarines maintained their patrols for some time, and at least one of the group—the I-7—launched its aircraft to conduct a reconnaissance of Pearl Harbor to ascertain the status of the American fleet and installations. The

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<sup>62</sup> Omission indicated in the original.



operation plan had provided, in the event of the virtual destruction of the American Fleet at Pearl, that one Submarine Division or less would be placed between Hawaii and North America to destroy sea traffic and in fact at least one submarine—the I-17—was despatched for the Oregon coast about 14 December.

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### WAR CLAIMS AND REPARATIONS <sup>63</sup>

894.30/1-846

*The French Ambassador (Bonnet) to the Acting Secretary of State*

[Translation]

No. 3

WASHINGTON, January 8, 1946.

The Ambassador of France presents his compliments to His Excellency, the Acting Secretary of State and is charged with communicating the following to him:

Having learned that the units of the Japanese Navy are shortly to be divided among the Allies, the French Government has the honor to claim its right to receive a fair share.

As a result of military operations in the Far East resulting from Japanese aggression, France has suffered, from both bombing and scuttling, losses amounting to not less than nineteen thousand one hundred and twenty tons of naval vessels. The Colonial dispatch boat *Admiral Charner*, which was damaged by Japanese Aviation, was scuttled on May 9, 1945. The cruiser *La Mothe Picquet* was sunk by bombing on January 12. One submarine, four dispatch boats, six patrol boats, three gunboats, one dredger and one lighter have been lost. Four of these vessels were sunk in action; the twelve others were scuttled in March 1945.

The Saigon Navy Yard was two-thirds destroyed as a result of military operations. The stocks of raw materials and supplies which it contained were pillaged and scattered.

The French Government takes the further liberty of recalling the contribution made by its Fleet to the war against Japan. In fact, France devoted to it all the forces at her disposal. She detailed permanently to the Far East the most powerful of her surface vessels, the *Richelieu*, as well as a light cruiser and two dispatch boats. She engaged, after March 1945, in anti-Japanese guerrilla warfare, the crews of her flotillas in Indochina.

To compensate for the losses which she suffered in both her Fleet and her base equipment, France feels that she has a right to claim one surface vessel of large tonnage, preferably an airplane carrier, and

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<sup>63</sup> Continued from *Foreign Relations*, 1945, vol. VI, pp. 989-1016.

four modern destroyers of from 2,100 to 2,300 tons. She requests in addition the replacement of her destroyed harbor equipment and the opportunity to use, from now on by agreement with the Commanders-in-Chief concerned, the Japanese naval matériel which is in Indo-china.

These are the requests which the Ambassador of France is charged with transmitting to His Excellency the Acting Secretary of State. He has been instructed to point out that the French Government would not understand failure to grant to it, in the division of the Japanese Fleet, advantages analogous to those granted to the U.S.S.R., whose Far Eastern Fleet appears not to have suffered very great losses.<sup>64</sup>

Mr. Henri Bonnet is happy to avail himself [etc.].

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740.00119 P.W./1-1446

*Memorandum by the State-War-Navy Coordinating Committee to the Secretary of State*

SECRET

WASHINGTON, 14 January 1946.

SWN-3745

Subject: Interim Reparations Program for Japan

References: *a.* SWNCC 236/4 <sup>65</sup>

*b.* SWNCC 236/5

By informal action on 14 January 1946 the State-War-Navy Coordinating Committee approved SWNCC 236/4.

In approving SWNCC 236/4, the State-War-Navy Coordinating Committee agreed that the Department of State should take the following action:

*a.* Forward a copy of the approved paper to the U.S. representative on the Far Eastern Commission <sup>66</sup> for use at his discretion with the proviso that it is not to be made available to the public.

*b.* Develop the program of proposals and recommendations outlined in paragraphs 5*b* and 5*c* for submittal to SWNCC as soon as possible.

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<sup>64</sup> The French Embassy in its note No. 60 of January 22, 1946, added further details in regard to losses suffered by the French fleet in the war resulting from Japanese aggression (894.30/1-2246).

<sup>65</sup> January 8, 1946, not printed. For text as revised on April 30, see SWNCC 236/10, April 25, p. 493. For account of reparations policies of the Far Eastern Commission, see Department of State, Publication 2888, Far Eastern Series 24: *Activities of the Far Eastern Commission, Report by the Secretary General*, February 26, 1946-July 10, 1947 (Washington, Government Printing Office, 1947), pp. 16 ff.

<sup>66</sup> Maj. Gen. Frank R. McCoy, U.S. Army (retired), chairman of the Far Eastern Advisory Commission and subsequently of the Far Eastern Commission.

Copy No. 62 of the approved paper is furnished to the State Department for information and such action as is deemed appropriate. Copy No. 63 is provided for transmittal to the U.S. representative on the Far Eastern Commission.

Copies of the approved paper have been forwarded to the Secretary of War and the Secretary of Navy <sup>67</sup> for information and to the Joint Chiefs of Staff for transmittal of the message in Appendix "C" to the Supreme Commander for the Allied Powers.<sup>68</sup>

For the State-War-Navy Coordinating Committee:

H. FREEMAN MATTHEWS

*Acting Chairman*

740.00119 PW/1-1546

*The Acting Secretary of State to the Soviet Ambassador (Gromyko)*

The Acting Secretary of State presents his compliments to His Excellency the Ambassador of the Union of Soviet Socialist Republics and has the honor to refer to the enclosed copy of a memorandum sent to the British Ambassador,<sup>69</sup> together with a copy of the *aide-mémoire* received from the British Embassy.<sup>70</sup>

The problem of discovery and correlation of information regarding Japanese economic penetration is a matter of common concern to the several powers at war with Japan. Its solution is regarded by this Government as an important factor in eliminating the bases of Japanese aggression.

The Acting Secretary of State is addressing a similar communication to the Embassies of the Netherlands, France, and the Chinese Republic.

WASHINGTON, January 15, 1946.

740.00119 Control (Japan)/1-1946

*The British Embassy to the Department of State*<sup>71</sup>

#### AIDE-MÉMOIRE

Ref: 500/2/46

Lord Halifax addressed a Note to the Secretary of State on the 5th December <sup>72</sup> about the eventual disposal of the Japanese fleet.

<sup>67</sup> Robert P. Patterson and James Forrestal, respectively.

<sup>68</sup> General of the Army Douglas MacArthur, at Tokyo. For revised text of Appendix "C", see p. 498.

<sup>69</sup> Memorandum dated December 28, 1945, *Foreign Relations*, 1945, vol. VI, p. 1013.

<sup>70</sup> Dated September 19, 1945, *ibid.*, p. 992.

<sup>71</sup> Handed on January 19 to the Director of the Office of Far Eastern Affairs (Vincent), by Frederick C. Everson, First Secretary of the British Embassy.

<sup>72</sup> *Foreign Relations*, 1945, vol. VI, p. 1003.



No reply to the Note has yet been received from the Secretary of State.

2. At an informal meeting held at Moscow during the Conference of Foreign Ministers <sup>73</sup> on December 24th, M. Molotov <sup>74</sup> raised the question of the disposal of the Japanese naval and merchant fleets. During the inconclusive discussion which followed, Mr. Byrnes was understood to say, in reply to a question from M. Molotov, that he regarded the question of the Japanese Navy and Merchant Fleet as settled but that he could not say offhand whether the Merchant Fleet included the Fishing Fleet.

3. As His Majesty's Government are unaware of any discussions regarding the disposal of the Japanese Merchant and Fishing Fleets, they are uncertain what Mr. Byrnes may have had in mind. His Majesty's Government would expect to receive a fair share of the Japanese Merchant Fleet under whatever scheme of disposal might be decided upon after consultation. They would also reserve their right to a share of the Fishing Fleet in the event of its division, but they consider that its continued use by the Japanese, under suitable control, is necessary for the maintenance in Japan of essential food supplies and they hope that no division of it will be made. His Majesty's Government would be grateful for a clarification of the views of the United States Government on these points.

WASHINGTON, January 19, 1946.

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740.00119 Control (Japan)/1-2346

*The Acting Political Adviser in Japan (Atcheson) to the Secretary of State*

No. 223

TOKYO, January 23, 1946.

[Received February 1.]

The United States Political Adviser has the honor to forward for the information of the Department single copies of: (1) directive of the Supreme Commander for the Allied Powers to the Imperial Japanese Government, dated January 20, 1946, concerning the custody, control and protective maintenance of Japanese aircraft plants, arsenals and laboratories; <sup>75</sup> and (2) press release of the United States Army Forces, Pacific, January 20, 1946, commenting on that directive.

It is stated in the press release that the purpose of taking these war plants, numbering nearly 400, into American custody is to ensure their availability and preservation in good condition for reparations.

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<sup>73</sup> For documentation on the meeting of Foreign Ministers in Moscow, December 16-26, 1945, see *Foreign Relations*, 1945, vol. II, pp. 560 ff.

<sup>74</sup> Vyacheslav Mikhailovich Molotov, People's Commissar for Foreign Affairs of the Soviet Union.

<sup>75</sup> Not printed.

[Enclosure]

*Press Release Issued by the General Headquarters, United States Armed Forces, Pacific, at Tokyo, January 20, 1946*

#### 400 JAP WAR PLANTS TO SCAP CUSTODY FOR REPARATIONS

A sweeping directive of General MacArthur today took nearly 400 Japanese aircraft plants, army and navy arsenals, and war material laboratories into SCAP custody to insure their availability, intact and in good operating condition, for reparations.

SCAP officials said that much of their equipment had been deteriorating, due to lack of proper maintenance, and that there had been a number of cases in which machinery had been removed from some of the installations.

The Japanese government was ordered to halt such removals from the installations, which were listed by name, and to assure the necessary personnel and supplies for proper maintenance.

SCAP also decreed cancellation at once of any permits that have been previously granted to any of the installations for conversion to peacetime production, unless an installation is "immediately and absolutely essential to the civil economy".

The commander of the Fifth United States Fleet is charged with custody of three installations at the Yokosuka Naval Base, and all others covered in today's order are in custody of the commanding general of the Eighth Army.

SCAP ordered the two responsible American commanders to have the Japanese place each installation under guard to carry out SCAP orders for prevention of theft, sabotage and unauthorized removal of equipment and machinery.

The Japanese government was directed to have its representatives report, within 72 hours after receipt of today's directive, to the two American commanders to receive their orders for carrying out the directive's provisions.

The targets of today's action were concerned primarily with Japan's former war activities and are considered "first priority material" for reparations in the opinion of SCAP and the Pauley reparations mission.<sup>76</sup>

The list included 265 aircraft and parts plants in 34 of Japan's 47 prefectures with 133, or half of them, concentrated in five prefectures—36 in Aichi (Nagoya), 35 in Tokyo, 25 in Osaka, 24 in Hyogo (Kobe), and 13 in Kanegawa (Yokohama).

Also listed were 33 naval arsenals with 10 branches, 36 military arsenals, and 30 laboratories associated with research for war produc-

<sup>76</sup> Edwin W. Pauley, Personal Representative of President Truman on Reparations, headed a mission to Japan, November-December, 1945.

tion, for a total of 394 plants and installations scattered throughout Japan.

Maj. J. A. O'Hearn of Boston, chief of the industrial division of the Economic and Scientific Section, said the directive was intended not only to stop machinery removals but also to accomplish the return of whatever has already been removed.

"They've been taking machinery also to warehouses and just piling it up," he said.

Deterioration of other machinery and equipment in the installations "is pretty widespread and we want to stop it," Major O'Hearn added.

"It is naturally essential to the interests of both the Japanese and the Allied Powers that any equipment taken for reparations have the highest possible value," he said. "It would be valueless unless it were in good condition."

The Eighth Army and Fifth Fleet commanders also were ordered to review all cases in which conversion to peacetime production, of any of the plants or installations named in today's list, had been previously licensed.

(An earlier SCAP directive had ordered that applications for conversion be submitted by the Japanese to the commanding generals of the Sixth and Eighth Armies for approval. Licenses previously issued to plants named today therefore will be reviewed.)

The commanders were told to consider "the probability that these plants will be taken as reparations, and consequently should not be allowed to acquire importance in the Japanese economy, with other industrial plants becoming dependent on their production."

"If in your opinion," they were told, "any converted plant is not immediately and absolutely essential to the civil economy, you will cancel authorization for its conversion."

"Otherwise, it may continue to operate, under custody and control as specified herein, and you will make clear to the Japanese that conversion in no way prejudices final disposition of any installation for reparations or other purposes."

The commanders likewise were directed to report any other plants or installations in their areas that they considered within the intent of today's directive, but which were not listed by SCAP.

Five company names accounted for 109, or about two-fifths, of all the aircraft plants. Nakajima had 47, Mitsubishi and Aichi 19 each, Kawasaki 15, and Hitachi 9.

[Here follow other details of installations affected.]



740.00119 P.W./1-1846

*The Acting Secretary of State to the Chinese Chargé (Tan) "*

TOP SECRET

WASHINGTON, January 24, 1946.

MY DEAR MR. CHARGÉ D'AFFAIRES: I refer to Ambassador Wei's note of November 13, 1945,<sup>78</sup> in which he asks that, in view of the tremendous losses incurred by the Chinese Navy, special consideration be given to China in the allotment of Japanese destroyers and surface combat vessels of lesser tonnage which it has been agreed should be divided between the United Kingdom, the Union of Soviet Socialist Republics, China, and the United States.

Many of these vessels are at present being used for repatriation work, for minesweeping, and for other tasks connected with the implementation of the Japanese surrender, and their release from these missions prior to their completion would necessitate the diversion of Allied shipping. It is therefore the desire of the United States Government to receive the agreement of your Government to the following procedure in regard to the disposal of destroyers and surface combatant vessels of lesser tonnage of the Japanese fleet:

When the Supreme Commander for the Allied Powers determines that the destroyers and surface combatant vessels of lesser tonnage of the Japanese fleet are no longer needed for repatriation work, for minesweeping, or for any other task connected with the implementation of the Japanese surrender, he will so inform the United States Government, and the United States Government will then arrange with the interested governments for an equal division of these vessels between the United Kingdom, the Union of Soviet Socialist Republics, China, and the United States.<sup>79</sup>

I am, my dear Mr. Tan,  
Sincerely yours,

[File copy not signed]

<sup>77</sup> Handed to Mr. Tan Shao-hwa on January 24 by the Deputy Director of the Office of Far Eastern Affairs (Penfield).

<sup>78</sup> *Foreign Relations*, 1945, vol. VI, p. 998.

<sup>79</sup> A similar note dated January 30 was sent the British Ambassador (Halifax) in response to the British Embassy's *aide-mémoire* of January 19, p. —. The following final paragraph was added: "With reference to the Japanese merchant and fishing fleets, it is the view of the United States Government that units of these fleets should be disposed of in accordance with decisions of an Allied reparations commission operating under general policies laid down by the Far Eastern Commission. It is assumed that this question will be considered by the Commission in due course." (740.00119 Control (Japan)/1-1946)

740.00119 PW/1-1846

*The Acting Secretary of State to the Chinese Chargé (Tan)*<sup>80</sup>

TOP SECRET

WASHINGTON, January 24, 1946.

## ORAL STATEMENT

The United States Government understands and sympathizes with China's desire to rehabilitate her Navy, but is confident that the Chinese Government will realize, in connection with the Department's note to the Embassy of today's date, that it would be impractical for the United States to suggest a modification of the principle of equal division of Japanese combatant vessels between the four Powers concerned. Such a suggestion would only open the door to embarrassment and disagreement among the Allies, with no commensurate benefit to China. The few Japanese destroyers and surface combatant vessels of lesser tonnage which are to be divided are now being subjected to hard use in connection with the repatriation of Japanese from abroad, and by the time they are released from this duty it can hardly be expected that they will provide substantial additional strength to the Chinese Navy. On the other hand, the Chinese Government is well aware of American interest in China's Navy, as evidenced by the present training of Chinese Navy personnel, contemplated transfer of American ships to the Chinese Navy, and plans for an American naval advisory group in China.

740.00119 PW/2-146

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*Draft Message Prepared for General of the Army Douglas MacArthur*<sup>81</sup>

Reports suggest that Japanese Government showing strong tendency to shirk its proper responsibility for ensuring effective utilization of Japanese economic resources during present critical period. In addition to delaying economic recovery and burdening you with details of economic policy, this trend if correctly reported will eventually identify occupation authorities more closely in public mind with responsibility for Japanese living conditions which are likely to be bad for some time as a result of conditions beyond control of occupation authorities.

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<sup>80</sup> Handed to Mr. Tan Shao-hwa on January 24 by the Deputy Director of the Office of Far Eastern Affairs (Penfield).

<sup>81</sup> Copy transmitted to Lt. Col. Ernest A. Gross, U.S. Army, Civil Affairs Division, War Department, by Edwin M. Martin, Chief of the Division of Japanese and Korean Economic Affairs, on February 1, with request that the message be sent to SCAP.

Your views on this situation appreciated together with estimate of anticipated change following elections. Would welcome any suggestion as to Washington actions which might be of assistance to you in forcing Japanese to recognize and discharge effectively their responsibility for full production and efficient distribution in agriculture and industry.

Recognized here that one major factor hampering industrial initiative and reorganization by Japanese is uncertainty regarding reparations removals. Every effort is being made here to secure early establishment inter-allied reparations commission and adoption of interim program based on Pauley recommendations.<sup>82</sup>

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740.00119 PW/2-1446 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

RESTRICTED

Moscow, February 14, 1946—4 p. m.

[Received February 14—2:56 p. m.]

430. ReDeptel 123, January 23.<sup>83</sup> In letter dated February 12 Lozovski<sup>84</sup> replied to my letter of January 25 on question of transfer to Soviet Union of Jap destroyers and surface combatant vessels of lesser tonnage as follows:

"Mr. Harriman<sup>85</sup> as early as on October 21, 1945 informed the People's Commissar for Foreign Affairs of the USSR, V. M. Molotov, on behalf of Mr. Byrnes, of the agreement of the Government of the USA to the transfer to the Soviet Union of one-fourth of the remaining ships of the Jap naval fleet beginning with destroyers and surface vessels of lesser tonnage.<sup>86</sup> In this same letter it was indicated that the Government of the USA expressed willingness to discuss with the USSR and other Allies a plan for the division of the Jap merchant fleet.

"Proceeding from the above and taking into account the fact that considerable time has already passed from the moment of reaching an understanding on the question of the Jap naval fleet, the Soviet

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<sup>82</sup> For report of December 18, 1945, by Ambassador Edwin W. Pauley, Personal Representative of President Truman on Reparations, see text in his *Report on Japanese Reparations to the President of the United States, November 1945 to April 1946*, Department of State Publication 3174, Far Eastern Series 25 (Washington, Government Printing Office [July 1948]), Reference 1-a. See also Mr. Pauley's telegram of December 6, 1945, to President Truman, *Foreign Relations*, 1945, vol. VI, p. 1004.

<sup>83</sup> Not printed (894.85/1-2346); it instructed the Embassy to present a note to the Soviet Foreign Office, the text of which was substantially the same as the letter of January 24 to the Chinese Chargé, p. 477.

<sup>84</sup> Solomon Abramovich Lozovsky, Soviet Assistant People's Commissar for Foreign Affairs.

<sup>85</sup> W. Averell Harriman, Ambassador in the Soviet Union; his resignation was accepted February 14 by President Truman.

<sup>86</sup> See telegram 2197, October 20, 1945, 8 p. m., to Moscow, *Foreign Relations*, 1945, vol. VI, p. 995.



Government thinks that it would be expedient to proceed (this has the sense of 'proceed at once' translator's note) to the realization of this understanding on the transfer of the above-cited portion of Jap combatant vessels to the Soviet Union.

"As regards vessels of the Jap merchant fleet, in the opinion of the Soviet Government it also seems expedient to make a division of them among the four interested governments, USSR, USA, Britain and China, in the very near future.

"In as much as Jap combatant and merchant ships are also needed by the command of the Soviet troops for repatriation and other purposes connected with the implementation of the capitulation of Japan, the Soviet Govt believes that it would be most expedient of all to discuss the question of using these vessels immediately after they have been divided among the four interested countries."

If we are to accept this position of Soviet Govt I think we should point out that main burden of implementing Jap surrender terms in repatriation, minesweeping and other matters requiring utilization of sea-going vessels falls upon Supreme Commander for Allied Powers in Tokyo; that we should inform Soviets exactly how much diversion of Allied shipping will be required if Jap naval vessels are to be turned over at once; and that we should inquire to what extent Soviets will be willing to assist by diverting shipping from their regular merchant or naval fleet for these purposes.

Dept will recall that Soviets are now operating, presumably exclusively for their own purposes, a total of 3 icebreakers, 12 tugs, 36 Liberty ships, 53 other merchant vessels, and 9 tankers received from US on Lend-Lease. I am not aware that any of these vessels have at any time been employed for general United Nations purposes.

It should also be borne in mind in this connection that according to records of this Mission Soviets have never consented, despite repeated requests, to inform us of amount and condition of merchant shipping which they themselves captured from Japs during period of their military operations. Our inquiries along this line, taken at instance of Joint Chiefs of Staff and of General MacArthur, were—as a matter of fact—never even given courtesy of acknowledgement.

KENNAN

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740.00119 PW/2-2846 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom  
(Winant)*<sup>87</sup>

SECRET

WASHINGTON, February 28, 1946—4 p. m.

1868. In the near future the US Govt will propose to the countries represented on the Far Eastern Commission that there be established

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<sup>87</sup> Repeated as No. 349 to Moscow and as No. 367 to Chungking; quoted "for information only" to Paris as airgram A-539, May 14.

an Inter-Allied Reparations Commission for Jap. One function of this Commission would be the final allocation of Jap external assets among the various claimant countries. The US Govt is preparing a general policy statement on this allocation for submittal to Commission. You are requested to explore informally the views of the Brit Govt on this question. A similar request is being forwarded to Moscow and Chungking. As basis for such discussion the U.S. Govt is now thinking along following lines: (1) Title to all Jap owned property in countries at war with Jap and invaded or occupied by the Jap shall be taken by the country in which such property is physically located, with its value charged against that country's reparations claim; (2) countries actively engaged in the war with Jap but not occupied or invaded by the Jap shall keep Jap assets within their territory up to the value of reparations claims approved for them by the Reparations Commission, but if there are additional assets, they shall be made available for general allocation; (3) countries at war with Jap but not active participants shall make Jap assets within their territory available for disposition by the Reparations Commission; (4) assets of the Jap in neutral countries shall all be made available for distribution to meet claims of countries that were at war with Jap; (5) Jap property in Korea or its equivalent value shall be turned over to the Joint Commission in trust for the Korean people and the future govt of Korea as recognition of Korean suffering at the hands of the Jap and in order to assist Korea in becoming economically independent of Jap.

Jap external assets to be disposed of under these policies would include all assets, except precious metals, currency and evidences of title, owned on V-J Day by Jap nationals repatriated or to be repatriated to the Jap home islands, or by Jap persons (juridical included) domiciled in areas under Jap control on Dec. 7, 1941 or at any time after Dec. 7, 1941. To be excluded under these policies is all property held by the Jap on V-J Day which is declared restitutable under policies laid down by inter-Allied agreement.

BYRNES

894.30/1-2246

*The Secretary of State to the French Ambassador (Bonnet)*

The Secretary of State presents his compliments to his Excellency the French Ambassador and has the honor to refer to the Ambassador's notes no. 3 of January 8, 1946, and no. 60 received on January 22, 1946,<sup>88</sup> regarding the desire of the French Government for replace-

<sup>88</sup> See footnote 64, p. 472.

ment of destroyed Saigon Navy Yard harbor equipment; to use, by agreement with the Commanders in Chief concerned, the Japanese naval matériel which is in Indochina; and to receive from the Japanese fleet one surface vessel of large tonnage, preferably an airplane carrier, and four modern destroyers of from 2100 to 2300 tons.

It is considered that disposition of Japanese naval matériel captured in Indochina is subject to the policies of the appropriate military commanders, and this Government therefore has no objection to any arrangements which the French authorities may make with these commanders regarding such matériel.

This Government considers that disposition of Japanese property in Indochina not owned by the Japanese Army or Navy and transfer to Indochina of Japanese equipment from outside Indochina are matters for decision in accordance with reparations policies which may be agreed to by the Allies. This Government, for its part, has no objection to the French Government's taking possession of and using such property in Indochina pending final settlement in accordance with these policies.

In the view of this Government all Japanese combatant naval vessels should eventually be destroyed and it has been agreed that submarines and combatant vessels larger than destroyers are to be destroyed. Many of the Japanese destroyers and surface vessels of lesser tonnage are at present being used for repatriation work, for minesweeping, and for other tasks connected with the implementation of the Japanese surrender. In view of the considerations mentioned in the Ambassador's notes under reference, this Government is agreeable in principle to making suitable arrangements for the transfer to the French Government of part of the United States share of Japanese surface vessels of destroyer class and lesser tonnage, when the Supreme Commander for the Allied Powers determines that they are no longer needed for any task connected with the implementation of the Japanese surrender.

WASHINGTON, March 1, 1946.

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740.00119 PW/3-846

*Memorandum by the Director of the Office of Economic Security Policy (Galbraith) to the Director of the Office of European Affairs (Matthews)*

[WASHINGTON,] March 8, 1946.

Attached herewith is a series of amendments to SWNCC 236/6 *Establishment of an Inter-Allied Reparations Commission for*



*Japan*.<sup>89</sup> It is recommended that they be submitted to the State-War-Navy Coordinating Committee for consideration when this paper comes before it for action.

These amendments provide for the establishment of the inter-allied reparations authority as a committee within the framework of the Far Eastern Commission rather than as a separate inter-allied commission, as originally proposed in SWNCC 236/6. The Committee would retain the same functions as the proposed Commission, however, and is given a semi-autonomous position within the F.E.C., subject to the latter's power to review its decisions to ensure that they are not inconsistent with the general policies and objectives of the occupation.

This proposal for altering the original draft terms of reference contained in SWNCC 236/6 is occasioned by several developments which have occurred since approval of the paper by the Far Eastern Subcommittee:

(1) There is now a clear majority in F.E.C. favoring the handling of reparations by the F.E.C. Committee. Formerly in the F.E.A.C. this did not appear to be the case.

(2) The F.E.C. is already in session, and ready to proceed immediately with consideration of reparations by a committee. This removes one of the chief arguments for the original proposal for a separate Commission, i.e., that the F.E.C. with its varied policy responsibilities might act less expeditiously and efficiently than a separate body.

(3) SCAP has now cabled his strong objection to the creation of a separate Reparations Commission. I am advised that JCS also supports this view.

In order to expedite action by SWNCC, the attached amendments have already been cleared informally by War and Navy Department representatives on JCAC, which objected to the earlier proposal for a separate Commission. The new draft appears to them to meet these objectives satisfactorily.

If the United States can secure agreement to a semi-autonomous Reparations Committee, subordinate to the F.E.C. but able to make binding decisions within its own area of competence, as proposed in these amendments, this should offer reasonable promise of prompt action in reparations matters.<sup>90</sup>

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<sup>89</sup> For revised version approved on April 11 as SWNCC 236/12, see p. 486, footnote 96.

<sup>90</sup> In a memorandum of March 14, 1946, to Mr. Matthews, Charles E. Bohlen, Special Assistant to the Secretary of State, wrote: "The only question I have in regard to the establishment of the Inter-Allied Commission under the FEC arises out of the possible use by the Soviet Union of its special position on the Far Eastern Commission to veto or block reparation action. As far as I know while the Soviet interest in Far Eastern matters as a whole was recognized in their inclusion on the Allied Council for Japan and the Far Eastern Commission, it

Footnote continued on following page.

It is a matter of urgency to instruct the U.S. representatives on F.E.C. as to U.S. policy in this matter without further delay. For this reason, and after consultation with War and Navy representatives on the Far East Subcommittee and JCAC, this method of proposing amendments for SWNCC consideration is recommended, as opposed to withdrawal of the original paper and reconsideration by the Far East Subcommittee.

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740.00119 PW/3-1346

*The Chairman of the Far Eastern Commission (McCoy) to the Secretary of State*

WASHINGTON, 13 March 1946.

MY DEAR MR. SECRETARY: At the first meeting of the Reparations Committee of the Far Eastern Commission, an interest was evinced by its members in the factual data secured by the United States Strategic Bombing Survey on the Japan industrial plant. Since other countries than the United States have not been permitted to undertake, in Japan, comprehensive study of the Japanese industrial economy, and since such information is essential to just and wise formation of an inter-allied reparations program, I wish to request, on behalf of the Commission, that the industry studies prepared by the Bombing Survey be made available through the Commission to its members. Many of these studies may be incomplete. If so, their presentation in an interim or tentative form would, nevertheless, greatly assist the Commission in its work. I would appreciate your assistance in obtaining these studies from the War Department for the use of the Far Eastern Commission.<sup>91</sup>

Sincerely yours,

FRANK R. MCCOY  
Maj. General, USA, (Ret)

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Footnote continued from previous page.

is an open question whether this interest is equally legitimate in regard to reparations. I think this aspect of the question should be examined by FE before final approval."

In response, the Director of the Office of Far Eastern Affairs, Mr. Vincent, wrote Mr. Matthews on the same day: "I fully sympathize with what Chip is driving at in his memorandum but I don't think we can do anything about it. After all, the no. 1 function of the Far Eastern Commission is 'To formulate the policies, principles, and standards in conformity with which the fulfillment by Japan of its obligations under the terms of surrender may be accomplished'; and one of the 'obligations' of Japan is to pay reparations. The only way I know to achieve Chip's ends is to persuade the Russians and all other members of the FEC to agree to the establishment of an independent Reparations Commission in which no member would have a veto power. If you think it would be realistic to attempt this, OK. I don't think you do and neither do I and therefore I believe we'd better accept the solution in this paper and hope for the best." (740.00119 PW/3-846)

<sup>91</sup> Request made by memorandum on March 26 to Maj. Gen. Oliver P. Echols, Director, Civil Affairs Division, War Department.

740.00119 P.W./2-1446 : Telegram

*The Acting Secretary of State to the Ambassador in the Soviet Union  
(Smith)*

RESTRICTED

WASHINGTON, April 1, 1946—7 p. m.

599. You should reply to letter quoted urtel 430 Feb 14 along following lines:

"With reference to the letter, dated 12 Feb 1946, from Mr. Lozovski to Mr. Kennan, regarding the disposition of Japanese destroyers and surface combatant vessels of lesser tonnage, the US Govt recognizes that Japanese vessels may be needed by the Soviet command for repatriation and other purposes connected with the implementation of the capitulation of Japan. Japanese vessels under the control of the Supreme Commander for the Allied Powers are at present being used for such purposes in various parts of the Far East, and it would, therefore, be appropriate to assign some of these vessels to repatriation work and other tasks connected with the implementation of the Japanese surrender in areas occupied by Soviet forces. The Soviet member of the Allied Council for Japan might, accordingly, request the Supreme Commander to assign a suitable proportion of the Japanese vessels under his control to these tasks.

It is felt that the assignment of Japanese vessels to such tasks should not be connected with or in any way prejudice the ultimate disposition of these vessels. In fact, as long as the vessels are engaged in repatriation work and in other tasks connected with the implementation of the Japanese surrender, they should remain under the control of the Supreme Commander and should not be considered available for final disposition. The division of Japanese destroyers and surface combatant vessels of lesser tonnage between the four powers should, therefore, await the completion of these tasks.

The final disposition of the Japanese merchant fleet involves the broader problems of reparations and the future economy of Japan. A final decision on its disposition, therefore, must await further policy decisions by the Far Eastern Commission."

ACHESON

740.00119 PW/3-2346

*Mr. Willard L. Thorp, Deputy to the Assistant Secretary of State for Economic Affairs (Clayton), to Mr. Martin T. Bennett, of Ambassador Pauley's Staff*

WASHINGTON, April 2, 1946.

MY DEAR MR. BENNETT: In Mr. Pauley's absence, I am writing you to acknowledge receipt of his letter of March 23 enclosing a copy of his report to the President on Japanese reparations,<sup>92</sup> and to express our appreciation for the work of the Mission.

<sup>92</sup> For Ambassador Pauley's *Report on Japanese Reparations to the President of the United States, November 1945 to April 1946*, see Department of State Publication 3174, Far Eastern Series 25, released July 28, 1948.



I am referring the report to Mr. Edwin M. Martin, Chief of the Division of Japanese Economic Affairs, and U.S. member of the Reparations Committee of the Far Eastern Commission, requesting that he review the conclusions with you in the near future. Such preliminary discussion may aid in clarifying those aspects of the report on which it may be desirable to secure further information as suggested by Mr. Pauley.

Mr. Martin and his staff will endeavor to keep in close touch with you and Mr. DuBois<sup>93</sup> in order to have the full benefit of your assistance in arriving at final recommendations for U. S. reparations policy. Such study and discussion may require a period of two or three months as we and the other Departments represented on SWNCC will want to examine closely the implications of your proposals from a number of standpoints before the final recommendations of this government are transmitted to the Far Eastern Commission. The latter body has yet to act on an interim reparations program so that its final reparations decisions are not likely to be made for several months.

Sincerely yours,

WILLARD L. THORP

740.00119 Control (Japan)/4-346: Circular telegram

*The Acting Secretary of State to Certain Diplomatic and Consular Officers*<sup>94</sup>

SECRET

WASHINGTON, April 3, 1946—noon.

MacArthur has notified Mountbatten<sup>95</sup> of detailed plans for sinking and otherwise disposing of large Japanese naval vessels and submarines and requested Mountbatten take similar action.

ACHESON

740.00119 P.W./4-1246

*Report by the State-War-Navy Coordinating Subcommittee for the Far East*<sup>96</sup>

SECRET

ESTABLISHMENT OF AN INTER-ALLIED REPARATIONS COMMITTEE FOR JAPAN

#### THE PROBLEM

1. To implement the policy of the United States with regard to the organization and terms of reference of an inter-Allied reparations authority.

<sup>93</sup> Josiah DuBois, member of Ambassador Pauley's Staff.

<sup>94</sup> At Bangkok, Batavia, Chungking, London, and Singapore.

<sup>95</sup> Adm. Lord Louis Mountbatten, Supreme Allied Commander, Southeast Asia.

<sup>96</sup> Approved by SWNCC on April 11 as SWNCC 236/12; transmitted to the Department, to the War and Navy Departments, and to the Joint Chiefs of Staff on April 12, and by the Department of State to General McCoy on April 19 for his guidance on the Far Eastern Commission.

## FACTS BEARING ON THE PROBLEM

2. See Appendix "A".<sup>97</sup>

## DISCUSSION

3. See Appendix "B".<sup>97</sup>

## CONCLUSIONS

4. Superseding the policy laid down in paragraphs 4(b) and 5(b) of SWNCC 236/4,<sup>98</sup> inter-Allied agreement should now be sought with the Far Eastern Commission for the organization of a Reparations Committee for Japan under the terms elaborated under paragraphs 5 and 6 below.

5. The terms of reference of the Reparations Committee should be as follows:

*a. Establishment*

An Inter-Allied Reparations Committee for Japan composed of one representative each of the member governments of the Far Eastern Commission shall be established by the Commission. As a body administratively within the Commission, the Reparations Committee shall function under the terms of reference of the Commission, and employ its voting procedure, administrative machinery and Secretariat facilities.

*b. Functions*

(1) The following functions shall be delegated to the Reparations Committee by the Far Eastern Commission:

(a) To determine the categories, and the total amounts within those categories, of Japanese assets both within and outside Japan which shall be made available for payment of reparations, [as distinguished from restitution and war booty].<sup>99</sup>

(b) To invite the presentation of reparations claims by countries which participated in the war against Japan or suffered from the effects of Japanese aggression, and to allocate percentages of the several categories of Japanese assets declared available for reparations to claimant countries on the basis of its own determination of

- (i) categories of damage and cost, both direct and indirect;
- (ii) the evaluation of total claims to be allowed within such categories;
- (iii) the capacity of claimant countries to absorb and utilize Japanese assets claimed as reparations.
- (iv) value of Japanese assets physically located within each claimant country.

(c) To consider such other related matters as may be assigned to it by the Far Eastern Commission.

<sup>97</sup> Not printed.

<sup>98</sup> See footnote 65, p. 472.

<sup>99</sup> Brackets appear in the file copy.

(2) In the performance of these functions, the Reparations Committee shall operate within the framework of over-all occupation policies and objectives as determined by the Far Eastern Commission. In this respect the Commission shall retain the power to review the decisions of the Committee. Subject to this qualification, the Committee shall have the authority to make binding decisions within its area of competence. Such decisions requiring implementation in Japan shall be transmitted directly by the Committee through the Commission Secretariat to the United States Government for transmittal to the Supreme Commander for the Allied Powers.

(3) The Supreme Commander for the Allied Powers shall be responsible for all technical and administrative operations in Japan required to carry out the decisions of the Reparations Committee with respect to Japanese assets controllable in Japan. His responsibility shall include the designation of specific industrial plants and items of equipment for removal from Japan, in accordance with the decisions of the Committee as to over-all categories and amounts of such facilities to be removed. It shall also include the allocation of such facilities to claimant countries in accordance with the decisions of the Committee as to the respective shares allotted to such countries within each category of assets. In the event of a conflict of claims to a specific item of equipment by two or more countries the Supreme Commander may at his discretion refer the issue to the Far Eastern Commission for adjustment by the Reparations Committee.

6. In order to make known United States views with respect to the functioning of the Reparations Committee, the above terms of reference should be accompanied by a statement that when the Committee is established, the United States will

*a.* Propose that it should be the object of the Committee to complete the program of reparations from Japan not later than the end of the year 1947;

*b.* Assure that full cooperation will be afforded by the Supreme Commander for the Allied Powers to the Committee and its staff in undertaking such investigations in Japan as the Committee deems necessary, and that full opportunity will also be afforded by the Supreme Commander for inspection by representatives of claimant governments of industrial facilities declared available for removal from Japan, such inspection to take place under such auspices and terms as are mutually satisfactory to the Committee and the Supreme Commander.

*c.* Propose that the Committee be used where appropriate to aid in the implementation of a vigorous program for the seizure of Japanese external assets. Action already taken by the United Nations under economic warfare programs, in accordance with such international



commitments as the Resolution of the Inter-American Conference of Foreign Ministers,<sup>1</sup> should be respected in such a program.

#### RECOMMENDATIONS

7. It is recommended that:

a. This report be forwarded to the JCS for comment from a military point of view.

b. After approval by the SWNCC of the Conclusions in paragraphs 4-6 above:

(1) The report be transmitted to the JCS, to the State, War and Navy Departments and to the United States representative on the Far Eastern Commission for their guidance.

(2) The State Department be instructed to draft proposals embodying these conclusions to be submitted to the Far Eastern Commission.

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740.00119 P.W./4-1646

*Memorandum by the Director of the Office of Economic Security Policy (Galbraith) to the Secretary of State*

[WASHINGTON,] April 16, 1946.

In view of the President's statement at his press conference a week ago about Mr. Pauley's current assignment on reparations problems,<sup>2</sup> you may wish to mention to the President that the U.S. representative on the Far Eastern Commission is about to submit to the FEC a SWNCC-approved proposal for setting up within the general administrative framework of the FEC a reparations committee to handle reparations from Japan. With the establishment of this committee, the focus of U.S. action on reparations matters will move from Mr. Pauley to the U.S. member of this new body.

This proposal for a reparations committee within the administrative framework of the FEC, composed of representatives of the eleven countries on the FEC and voting by a majority including all four of the major powers, has received the general approval of Mr. Pauley.

It should be noted, however, that the Soviet representative on the

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<sup>1</sup> For resolutions of the Third Meeting of the Ministers of Foreign Affairs of the American Republics, which met at Rio de Janeiro in January 1942, see Department of State *Bulletin*, February 7, 1942, pp. 117-141. For documentation on the meeting, see *Foreign Relations*, 1942, vol. v, pp. 6 ff.

<sup>2</sup> For statement on April 11 regarding Ambassador Pauley's work on the Reparations Commission, see *Public Papers of the Presidents of the United States, Harry S. Truman, Containing the Public Messages, Speeches, and Statements of the President, January 1 to December 31, 1946* (Washington, Government Printing Office, 1962), p. 194. For President Truman's announcement at his press conference on May 2 regarding Ambassador Pauley's trip to the Far East, see *ibid.*, p. 224, or Department of State *Bulletin*, May 12, 1946, p. 821.

FEC has raised questions about the jurisdiction of the FEC over Japanese external assets. Since there is general agreement that any reparations body must also consider the disposition of external assets, informal negotiations are proceeding in an attempt to persuade the Soviets that the present U.S. proposal is in substance the most satisfactory one for handling the problem.

However, the question of whether the reparations committee should or should not be within the framework of the FEC does not appear to be vital to the U.S., and adjustments may be made in the present proposal in order to secure prompt action on removals of equipment to claimant countries.

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740.00119 PW/4-1746 : Telegram

*The Chargé in the United Kingdom (Gallman) to the Secretary of State*

SECRET

LONDON, April 17, 1946—5 p. m.

[Received April 17—5:12 a. m.]

4264. British reply to US proposals regarding establishment of Inter-Allied Reparations Commission for Japan as outlined in Department's 1868, February 28, has been delayed due to preoccupation of Treasury officials with problems of European reparations. However, this morning we were asked to meet with Sir David Waley of Treasury and Foreign Office representatives for informal discussion of matter. Waley has promised to submit in writing shortly questions which have arisen in British mind as result of studying US proposals, but following brief résumé of this morning's talk probably covers most of matters Treasury will raise in writing.

Waley stated first question of importance seemed to British to be what kind of body should reparations commission be, and said definite British preference was for reparations to be dealt with by committee of Far Eastern Commission. This is felt by British to be only logical due to close connection between question of reparations and general economic future of Japan which is being studied by FEC. Problem of obtaining necessary expert staff was also brought up and British contention is that experts attached to FEC should be used as there are not enough qualified people available to set up separate body.

With regard to point 2 in Dept's proposal in its 1868, Waley believes it will be unrealistic to fix a total reparations sum which can be divided amongst the various claimants before any decision is reached as to how much Jap industry is to be removed from country and where it is to go. In this connection Waley expressed personal opinion that question of what equipment USSR has taken from Manchuria will be a

most important factor. He believed we should apply in Far East the policy enunciated by Ambassador Pauley at Potsdam with reference to German plants taken by Soviets.<sup>3</sup> British believe we should not expect that any plants or equipment taken out of Manchuria will be returned, that this factor should be recognized and that care should therefore be taken to see to it that Russia gets no additional reparations. Problem of Jap equipment taken by China was also mentioned and difficulty was pointed out of determining whether China would still have basis for reparation claims against Japan after she had taken all Jap property in China. British feel such questions as these may have to be decided at top diplomatic level but that all other questions of detail should be referred to a committee of FEC.

British believe unlikely it will be possible to carry out terms of point 3 of US proposals and point out that position taken here is exact reverse of that taken by US representatives at Paris Reparations Conference, particularly as far as Latin American countries are concerned.

Waley made general comment that British were surprised that so much emphasis had been placed in US proposals on questions affecting Japanese external assets. British feel most important questions regarding reparations must be settled on basis of assets within Japan.

At close of meeting British stated their strong feeling that question of Jap reparations was urgent and that we should get down to definite concrete consideration of it soon as possible. They asked whether it was US intention that further talks on reparations should be held in London or Washington. We replied we had no information but expressed opinion that Department would probably wish further discussions carried on in Washington. Sir George Sansom<sup>4</sup> is now in London and we are seeing him next week. It is suggested that if Department has any further comments on Jap reparations and could send them to Embassy before Sansom's departure there might be an opportunity to go over them with him and British Treasury officials so that he would be in position to carry on more detailed talks when he returns to Washington during first week in May.<sup>5</sup>

GALLMAN

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<sup>3</sup> For Ambassador Pauley's report, September 20, 1945, on German reparations, made to President Truman, see *Foreign Relations, The Conference of Berlin (The Potsdam Conference)*, 1945, vol. II, p. 940.

<sup>4</sup> British Minister in the United States.

<sup>5</sup> In airgram A-467, April 30, from London, the Embassy quoted the British reply of April 29 on the subject of Japanese reparations. It stated that Japanese external assets should be taken up by the Far Eastern Commission or some body appointed by it; that certain paragraphs in the American memorandum were more or less acceptable, although it was doubted that a total amount for Japanese reparations could be fixed in advance and consequently each country's claim would not be known until completion of reparations payment by Japan. (740.00119 PW/4-3046)



740.00119 PW/4-2346 : Telegram

*The Ambassador in the Soviet Union (Smith) to the Secretary of State*

RESTRICTED

Moscow, April 23, 1946—6 p. m.

[Received 8:04 p. m.]

1306. ReEmbtel 737, March 9.<sup>6</sup> In letter dated April 21, Vyshinski<sup>7</sup> wrote as follows:

1. In reply to Mr. Kennan's letter of March 9 on the question of the establishment of an Inter-Allied Reparations Commission on Japan, I inform you that the Soviet Government is not opposed in principle to the establishment of such a commission.

2. The Soviet Government for its part considers that all Japanese property subject to removal from Japan in accordance with the conditions of the Potsdam Declaration of July 25 [26], 1945,<sup>8</sup> including arms, vessels, transports, industrial enterprises equipment, strategic raw materials, gold stores, precious metals, currency, securities, etc., should be included in reparations.

3. Of Japanese property located on former Japanese territories or on territories occupied by Japan only that portion should not be included in reparations which enters into the category of war trophies.

4. The Soviet Government agrees with the proposal of the Government of the USA that Japanese property on the territories of countries which were in a state of war with Japan but did not actively participate in the war as well as Japanese property on the territories of neutral countries should be subject to distribution by the Reparations Commission among appropriate Allied countries.

5. As regards Japanese property located on the territory of Korea as well as other questions relating to the collection of reparations from Japan, the Soviet Government considers that these questions may be discussed by the Inter-Allied Reparations Commission on Japan.

Department please repeat to Tokyo for Political Adviser as Moscow's 25.

Sent Department 1306, repeated Paris for Secy 103, Chungking 59.

SMITH

740.00119 PW/4-2546 : Telegram

*The Ambassador in the Soviet Union (Smith) to the Secretary of State*

RESTRICTED

Moscow, April 25, 1946—5 p. m.

[Received April 26—12:30 a. m.]

1343. Re Embtels 1306 and 1307, April 23.<sup>9</sup> Replying to British note of March 9 on removal of Jap assets in Manchuria Vyshinski

<sup>6</sup> Not printed.

<sup>7</sup> Andrey Yanuaryevich Vyshinsky, Soviet Assistant Minister for Foreign Affairs.

<sup>8</sup> *Foreign Relations*, The Conference of Berlin (The Potsdam Conference), 1945, vol. II, p. 1474.

<sup>9</sup> For telegram 1307, see *Foreign Relations*, 1946, vol. x, p. 1122.

made additional statement not included in his reply to our similar notes as follows:

"Insofar as Japanese assets belonging to the category of military trophies are concerned the Soviet Govt is unable to agree with the British Govt's view that these assets should be debited against the eventual share of Japanese reparations of the state in whose territory such assets are located.[""]

SMITH

740.00119 P.W./5-1546

*Report by the State-War-Navy Coordinating Subcommittee for the Far East*<sup>10</sup>

SECRET

INTERIM REPARATIONS REMOVAL PROGRAM FOR JAPAN

THE PROBLEM

1. To prepare for submittal to such inter-Allied reparations authority for Japan as may be appropriate, U.S. recommendations with respect to the categories and amounts of industrial equipment to be subject to removal from Japan under an Interim Reparations Removal Program.

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".<sup>11</sup>

<sup>10</sup> SWNCC 236/10, April 25, as revised April 30, was approved by SWNCC on May 9 subject to qualifying remarks made by the Acting Navy Department member (in SWNCC 236/16) as follows:

"3. Before this Government is too firmly committed to a reparations policy, it would appear essential that a reasonably firm estimate of the cost of occupation should be prepared. This cost of occupation, in my opinion, should be presented as a first charge against all available Japanese assets, and this charge should be subtracted before this Government engages in any proceedings of a reparations commission.

"4. Certainly as far as the value of capital goods is concerned, this country has little to gain in material value from those available in Japan. We have, however, much to gain in insuring that there is sufficient removal to bring Japan down to a post-war minimum compatible with requirements for adequate demilitarization. We must at the same time insure that Japan has sufficient capacity to support no more than a minimum economy sufficient to relieve us from the possibility of having to assist in supporting her.

"It therefore appears that production capacity level for the various industries in Japan should be established as early as possible in the light of requirements for demilitarization, and for the support of a minimum economy.

"5. Subject to the above remarks, I approve".

In SWN-4214, May 15, the Secretary of State was informed that SWNCC 236/10 as amended had been approved and was being transmitted for information to the Joint Chiefs of Staff, the Departments of State, War, and Navy, and the U.S. member of the Far Eastern Commission (McCoy). (740.00119 PW/5-1546)

<sup>11</sup> Not printed.

## DISCUSSION

3. See Appendices "B"<sup>11a</sup> and "C".

## CONCLUSIONS

4. In accordance with the recommendations submitted by Ambassador Pauley to the President, with modifications as provided for in SWNCC 236/4,<sup>12</sup> paragraph 5 (c)(1), the action specified below should be taken with respect to facilities identified in the ten listed categories of Japanese industry. Such action, under the Reparations Removal Program, should be taken without prejudice against further removals that may be ordered under a final reparations program.

5. *Machine Tool Industry*

(Definition: "Plants and establishments primarily engaged in the manufacture of non-portable, power-driven machines designed to shape metal by the progressive cutting away of stock in the form of chips or shavings, or by abrasive action.")

a. That portion of Japan's capacity for the production of machine tools that is in excess of a balanced type-size aggregate of 27,000 units annually, should be made available for claim.

6. *Army and Navy Arsenals*

(Definition: "Plants and establishments owned and operated by the Japanese Army or Navy engaged in the development, production, maintenance, testing, or storage of equipment or supplies for use in war or warlike purposes. (*Arsenal* as defined herein embraces a broad category of facilities distinguished by their ownership rather than by the nature of the operation and departs from the more usual connotation of ordnance manufacture.)")

a. All facilities within this category should be made available for claim, subject to the following limitations:

(1) *Special Purpose Machinery and Equipment*

All machinery, equipment and accessories which by virtue of initial design, construction or major structural change are, as individual items, special purpose in nature and functionally limited to use in connection with equipment or supplies for war or warlike purposes, should be held pending further instructions concerning their disposition.

(2) *Shipyards*

Shipbuilding and ship repair facilities should be disposed of in accordance with the recommendations contained in paragraph 9.

(3) *Non-armament Facilities*

These facilities which have been engaged in the production of military supplies essentially similar in character to such consumer goods as textiles, clothing, processed foods, fertilizers, fuels, pharmaceuticals and related and dependent industries should be left for disposal under

<sup>11a</sup> Not printed.

<sup>12</sup> January 8, not printed, but see memorandum by the State-War-Navy Coordinating Committee, January 14, p. 472.



the final reparations program, and not be made available for claim under the interim program, in order that they may be operated to supply the essential needs of areas under military control, if such is desirable in the judgment of the Supreme Commander for the Allied Powers. (Note: Privately-owned facilities that would fall in this category except for the ownership qualifications will be treated in a separate paper.)

#### 7. *Aircraft Industry*

(Definition: "Plants and establishments primarily engaged in the manufacture or assembly of finished aircraft, airframes, aircraft engines, and aircraft propellers, or in supplying fabricated materials, semi-finished or finished parts, components, or accessories, (exclusive of arms and armaments, instruments and communication equipment) especially designed for incorporation in finished aircraft.")

*a.* All facilities in plants and establishments originally designed, constructed and equipped, or converted through major change in the nature of installed machinery and equipment to serve in this category should be made available for claim.

*b.* Plants and establishments within this category, other than those covered in *a* above, the use of whose products by the aircraft industry, represents merely a diversion without major change in character of product from peacetime civil consumption, or in the nature of installed machinery and equipment, should not be made available for claim pending Allied decision as to the final disposition of the industry with which they are normally associated.

#### 8. *Ball and Roller Bearing Industry*

(Definition: "Plants and establishments primarily engaged in the manufacture or assembly of complete ball and roller bearings, or their major component parts, namely, balls, rollers, races, and cages.")

*a.* That portion of Japan's capacity for the production of ball and roller bearings that is in excess of 32.5 million yen (based on 1943-1944 average prices) per year, should be made available for claim. Facilities selected for removal should include all plants and establishments whose products are specifically adapted to use in aircraft or other war material.

#### 9. *Shipbuilding Industry*

(Definition: "Shipyards, including all facilities, plants and establishments located within their confines, primarily engaged in the building, repair, or maintenance of steel ships over 100 gross tons"). The term "merchant shipping" when used in this report should be construed to include steel cargo and passenger vessels and tankers over 100 gross tons.

*a.* All facilities located in naval shipyards whether publicly or privately owned, that were originally organized or were converted

through major change in the original structure or in the size and volume of installed machinery and equipment to build, service, or repair naval combat vessels or specialized naval auxiliary ships should be made available for claim under the Interim Reparations Removal Program subject to the following limitations:

(1) *Special Purpose Structures, Machinery and Equipment*

All structures, machinery, equipment and accessories which by virtue of initial design, construction, or major structural change are, as individual items special purpose in nature and functionally limited to use for purposes of an exclusively military nature, should be held pending further instructions concerning their disposition.

(2) No facilities should be made available pending certification by the SCAP that they are not necessary for purposes of the occupation.

b. That portion of Japan's shipbuilding capacity, located in shipyards other than those covered in *a.* above, in excess of that necessary to build 150,000 gross tons of merchant shipping annually and to service and repair a merchant fleet aggregating 3.0 million gross tons, should be made available for claim subject to the following limitations:

(1) No facilities should be made available for claim until such time as Japan's merchant fleet is restored to a level which, in the judgment of SCAP, is sufficient to meet the needs of the occupation and Japan's immediate merchant vessel requirements.

(2) Two 20,000 ton drydocks should be retained for purposes of servicing foreign ships touching at Japanese ports.

10. *Iron and Steel Industry*

(Definition: "Plants and establishments primarily engaged in the production of pig iron or steel ingot.")

a. That portion of Japan's capacity for the production of steel ingot that is in excess of 3.25 million metric tons annually should be made available for claim.

b. That portion of Japan's capacity for the production of pig iron that is in excess of 1.75 million metric tons annually should be made available for claim.

11. *Light Metals Industry*

(Definition: "Plants and establishments primarily engaged in the production of alumina, primary or secondary aluminum and magnesium, and in the rolling and drawing of aluminum and magnesium and their alloys.")

a. All facilities identified within this category should be made available for claim, subject to the following limitations:

(1) No facilities engaged in smelting light metal scrap into secondary ingot should be made available for claim.

(2) In cement plants converted to produce alumina from clays or shales, only the equipment introduced to effect such conversion should be made available for claim.

### 12. *Thermal Electric Power Industry*

(Definition: "Plants and establishments primarily engaged in the production of electric energy through the use of fuel (coal) as the basic energy source.")

a. That portion of Japan's installed thermal electric generating capacity that is in excess of 2.1 million kw, should be made available for claim.

### 13. *Sulphuric Acid Industry*

(Definition: "Plants and establishments primarily engaged in the production of sulphuric acid.")

a. That portion of Japan's capacity for the production of sulphuric acid that is in excess of 3.5 million metric tons annually, should be made available for claim. All facilities made available for claim should be of the contact process type, as distinguished from the lead chamber type, but should not include any contact plants, when they are serving as integral functional units in

(1) a non-ferrous metal smelting plant;

(2) a fertilizer manufacturing establishment in which the contact process plant is not supported by a lead chamber plant of at least equivalent capacity.

### 14. *Soda Ash, Chlorine, and Caustic Soda Industry*

(Definition: "Plants and establishments primarily engaged in the production of soda ash (sodium carbonate), chlorine and caustic soda (sodium hydroxide).")

a. That portion of Japan's capacity for the production of chlorine and caustic soda in electrolytic plants which is in excess of about 60,000 metric tons of chlorine and about 66,000 metric tons of caustic soda, should be made available for claim.

b. That portion of Japan's capacity for the production of soda ash that is in excess of 500,000 metric tons, should be made available for claim. Removal of this excess soda ash capacity should be accomplished by seizure of one large modern soda ash plant, together with its integrated facilities for conversion of soda ash to caustic soda.

### 15. *Preference for Zaibatsu Facilities*

a. Among the criteria to be employed in the selection of individual plants and items of equipment for removal should be the principle of reinforcing the occupation objective of destroying Zaibatsu wealth and influence.

### 16. *Assured Production Capacity Levels*

a. A program of assured production capacity levels for the ten industrial categories cited above, should be drawn up by SWNCC for submittal to, and approval by the appropriate inter-Allied authority.

b. Such a program will be designed to provide authorization for SCAP to designate specific plants among those retained in Japan



under the Interim Program that will not be subject to removal, even under the final reparation program. The purpose of such designation will be to eliminate the threat of removal and thus contribute to restoring the initiative of Japanese industrialists, the flow of capital into these enterprises, and the production of goods necessary to support the peacetime economy.

c. The assured production capacity levels so established should be in all cases below the capacity levels now under discussion in the United States Government for retention under the final program.

#### RECOMMENDATIONS

17. It is recommended that:

a. The State-War-Navy Coordinating Committee, after securing the comments of the Joint Chiefs of Staff from a military standpoint, approve the "Conclusions" in paragraphs 4 through 16.

b. This report be transmitted for information to the Joint Chiefs of Staff, State, War and Navy Departments, and the United States representative on the Far Eastern Commission for his information.

c. The "Conclusions", paragraphs 4 through 15,<sup>13</sup> with supporting data from Appendix "B" of this report, (to be put into appropriate form by the State Department) be transmitted to the appropriate inter-Allied reparations authority, when constituted, for action as a matter of priority.

d. No parts of this document be made available for public release.

[Annex 1]

#### APPENDIX "C"

COMPARISON OF THE CONCLUSION PRESENTED IN THIS REPORT WITH THE RECOMMENDATIONS MADE IN AMBASSADOR PAULEY'S REPORT TO THE PRESIDENT (SWNCC 236/2/D) <sup>14</sup>

1. This report, in essence a slightly modified translation into operating directive terms of Ambassador Pauley's Report to the President is designed

a. To assure complete understanding and acceptance of the "basic document" with such modifications as are deemed necessary, by the U.S. Departments of State, War, and Navy; and

b. To provide recommendations with supporting evidence for submittal to the proposed Inter-Allied Reparations Commission.

<sup>13</sup> Paragraph 15 later became paragraph 16; change made in SWN-4357, May 29, to the Secretary of State, not printed.

<sup>14</sup> For Ambassador Pauley's Report of December 18, 1945, to President Truman, see enclosure to his letter of the same date, Reference 1-a, in his *Report on Japanese Reparations to the President of the United States*, November 1945 to April 1946.

2. The conclusions presented in this report agree with the recommendations made in the Pauley report both in principle and in fact, except for a few essentially minor modifications. Such modifications may be accounted for largely by the facts that during the period of review, access was had to a considerable volume of information not available to the Pauley Mission while in Japan, and that data supplied by the Japanese have, in some cases, proven to be misleading or inaccurate in the light of subsequent appraisal.

3. Following is a comparison of the recommendations of the Pauley Report with those of the present report.

4. *Machine Tool Industry*

*a. Pauley Report:* Half of the capacity for the manufacture of machine tools should be made available.

*b. Present Report:* That portion of capacity for the production of machine tools in excess of 27,000 units annually should be made available (equal to one-half of estimated present capacity).

*c. Comments:* No apparent divergence.

5. *Army and Navy Arsenals*

*a. Pauley Report:* All tools and equipment located in Army and Navy arsenals should be made available, except for equipment useful solely for making arms, ammunition, and implements of war which should be destroyed. Estimate 70,000 machine tools will be made available.

*b. Present Report:* In agreement with the "basic document" except that

(1) special purpose equipment be held pending Allied decision as to its ultimate disposal rather than be destroyed;

(2) certain facilities producing goods essentially similar in character to civilian consumer goods should be retained;

(3) machine tools that will be made available are estimated at between 50,000 and 60,000 rather than at 70,000.

*c. Comments:* The discussion in Appendix "B" makes clear the reasons underlying the slight change in (1) above. The exception noted in (2) above is based on discussion with staff of the Pauley Mission and is entirely consistent with the intent of the "basic document." The lower estimate of machine tools that will be made available is accounted for largely by losses from bomb damage.

6. *Aircraft Industry*

*a. Pauley Report:* All tools and equipment located in the aircraft industry of Japan—(estimated at 220,000 machine tools) and in all plants manufacturing aircraft engines, shall be made available.

*b. Present Report:* Treats aircraft industry and aircraft engine plants together. Makes all tools and equipment available, except for a small portion identified with plants whose connection with the air-

craft industry was temporary and whose normal products have a legitimate place in the peacetime economy. Machine tools to be made available estimated at 95,000.

*c. Comments:* The exception made for tools and equipment in certain plants is consistent with the intent of the basic document. The fact that a smaller number of tools will be found to be available is accounted for largely by

(1) exclusion of certain facilities, reported by the Japanese under aircraft, that more properly belong in other categories. These included the manufacture of such products as arms, armaments, torpedoes, electric meters, and gauges;

(2) exclusion of the plants noted in *b* above as having legitimate peacetime uses.

### *7. Ball and Roller Bearing Industry*

*a. Pauley Report:* All tools and equipment located in plants manufacturing ball and roller bearings shall be made available.

*b. Present Report:* That portion of Japan's capacity for production of ball and roller bearings that is in excess of 32.5 million yen (1943-44 price level) per annum, should be made available. (This will release about 90 percent of estimated present capacity.)

*c. Comments:* The divergence here is essentially a question of policy rather than of fact. Discussion in Appendix "B" gives the consideration on which the conclusion of this report is based. In brief, it is certain that Japan's post-war economy will require ball and roller bearings, that her trade balance position is unfavorable for imports, and that since this is an interim program, the facilities retained may be disposed of under the final disarmament or reparations program if it is advisable.

### *8. Shipbuilding Industry*

*a. Pauley Report:* All equipment and accessories in 20 shipyards to the extent that it is not needed for the repair of shipping essential to the occupation shall be made available.

*b. Present Report:*

(1) All facilities located in naval shipyards whether publicly or privately owned . . .<sup>15</sup> should be made available, subject to release by the SCAP as not essential for the purposes of the occupation.

(2) That portion of Japan's merchant shipbuilding capacity in excess of that necessary to build 150,000 gross tons of merchant shipping annually and to service and repair a merchant fleet aggregating 3.0 million gross tons, should be made available for claim subject to the limitations: that no facilities should be made available for claim until such time as Japan's merchant fleet is restored to a level which

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<sup>15</sup> Omission indicated in the original.



in the judgment of the SCAP is sufficient to meet her immediate merchant vessel requirements; and that two 20,000 ton drydocks should be retained for purposes of servicing foreign ships.

*c. Comments:* No proper comparison can be made between these two recommendations because of the difference in approach, i.e., shipyards as distinguished from tonnage capacity. It is believed, however, that no substantial difference in end results will be manifested.

#### 9. *Iron and Steel Industry*

*a. Pauley Report:* All steel making capacity in excess of 2,500,000 tons per year and all capacity for the production of pig iron in excess of 500,000 tons per year shall be made available.

*b. Present Report:* All steel making capacity in excess of 3.25 million metric tons per year and all capacity for the production of pig iron in excess of 1.75 million metric tons per year should be made available.

*c. Comments:* Discussion in Appendix "B" presents the considerations underlying this divergence. In brief it is felt that for purposes of the Interim Program, the "Basic Document" cuts somewhat below the "obvious excess" in both cases and does not provide an economic ratio between steel and iron capacity. Further, Japan's immediate need for these products to rehabilitate her industrial economy may impose demands somewhat heavier now than will be the case in the future. After meeting such immediate demands and when Allied decision has been reached as to disposition to be made of steel consuming industries, the steel and iron capacities may then be further reduced.

#### 10. *Light Metals Industry*

*a. Pauley Report:* All facilities for the production of magnesium, for the preparation of alumina and reduction to aluminum, other than those required for processing scrap, and all machinery and equipment exclusively for finishing magnesium and aluminum such as strip mills, rolling mills, and extrusion presses shall be made available.

*b. Present Report:* As above.

*c. Comments:* No divergency.

#### 11. *Electric Power Industry*

*a. Pauley Report:* Half of the thermal (coal) electric and generating plants of Japan shall be made available.

*b. Present Report:* That portion of Japan's thermal electric generating capacity that is in excess of 2.1 million kw, should be made available (about one-half of estimated present capacity).

*c. Comments:* No divergence.

#### 12. *Sulphuric Acid Industry*

*a. Pauley Report:* All contact process sulphuric acid plants, except those necessary to remove waste gases from zinc, lead, copper, and other heavy metal smelters shall be made available.

*b. Present Report:* That portion of Japan's capacity for the production of sulphuric acid that is in excess of 3.5 million metric tons per year should be made available—that removals should be limited to contact process plants—that contact plants affiliated with non-ferrous metal smelters should *not* be made available—that contact process plants serving as an integral functional unit in a fertilizer manufacturing establishment in which the "contact" plant is not supported by a "lead chamber" plant of at least equivalent capacity should *not* be made available.

*c. Comments:* On the basis of estimated present capacity the "Basic Document" would make available 800,000 metric tons more capacity than the present report would. Discussion in Appendix "B" presents the considerations underlying this divergence. In brief, the difference can be accounted for by a greater allowance for use of this product in the manufacturing of fertilizer, which is currently critical in Japan. The final determination is largely one of judgment and in keeping with the concept of "obvious excess" implicit in the Interim Program, it is felt this added margin of safety should be maintained.

### 13. *Soda Ash, Caustic Soda, and Chlorine Industries*

*a. Pauley Report:* The most modern large Solvay process, soda ash plant and 20 of the most modern large plants for the production of caustic soda and chlorine, either in diaphragm or mercury cells shall be made available.

*b. Present Report:* Capacity in excess of 500,000 metric tons of soda ash, 66,000 metric tons of caustic soda, and 60,000 metric tons of chlorine should be made available.

*c. Comments:* Although a substantially different approach has been used the net result shows no apparent divergence.

[Annex 2]

## APPENDIX "D"

### THE COMMENTS OF THE SCAP ON AMBASSADOR PAULEY'S REPORT

Paraphrase of telegram Cm-In-4219, Tokyo, February 18, 1946:

"This is in reference to your W 94752. Part I of IV.

It is recommended that Washington directives on reparations removals should indicate proportion of capacity of industry and leave to this Headquarters discretion in the matter of which reparations are to be chosen and when they are to be removed. Shipping, transportation and like economic considerations could best be served in that

manner. Industry in Japan has not as yet been evaluated in relation to the country's economy, and there has been no clear indication as to what Allied policy on Japan's economic future will be. If purposes of occupation are to be best served it is necessary that the reparations removal program be characterized by the greatest flexibility.

We recommend specifically: (Numbers of paragraphs in the Pauley report correspond with the following numbered paragraphs.)

1. Basic conclusion. With the exception of subparagraph H, we agree in all. The question of Zaibatsu is such a complex financial and legal problem that we believe that it should be considered separately. This problem has been attached [*attached?*] in action which Washington has approved, and a Washington mission is now studying the problem in Tokyo.

2. Immediate action program.

A. (1). One-half machine tool manufacturing capacity removal all right. But do not concur in listing of specific recommendations.

(2). Agree. Assumption is that Pauley report includes private arsenals for removal of equipment.

B. Agree.

C. Of the opinion that until study of immediate needs is completed, removal of ball bearing and roller bearing industry be delayed.

D. All right.

(3). Agree with shipyard recommendations but add that no yards with capacity for ships greater than 5000 gross tons be allowed to remain.

Agree with A (4), (5), (6), and (7). In (7) removal of one half of 4,000,000 kilowatts thermal capacity in Japan at present.

A. (8). Present capacity of sulphuric acid plants is five million tons per year. Recommend it be reduced by one million tons, and all plants not needed be removed.

A. (9) and (10). Following removals recommended: Plants not needed to produce more than total 200,000 tons soda ash and 40,000 tons caustic soda yearly. Until study of rayon industry is completed recommend the caustic soda figures be considered tentative.

Agree in B and C.

D. That these removals not be connected with Zaibatsu's dissolution is recommended.

3. Unnecessary to comment.

4. The impression given is shallow and shows lack of real knowledge of Japan and the way it is organized and administered. This headquarters does not concur.

5. Long range program contains important considerations.

A. In our opinion there is no direct connection between agriculture and the reparations program.



Agree with B, C, D, and E. However, difficulties in knowing Manchurian plants and equipment amounts is pointed out.

F. Likelihood of failure of Asiatic and Pacific areas to request large quantities of Japanese removed equipment is agreed. In some cases condition of equipment will make removal impractical and scrapping is advised in this case if war potential is concerned.

G. Agree.

## Part II

We are now going ahead with program for tentative inspection and listing of equipment to be removed. This is in compliance with your W 94752. This equipment to be classified as to its condition, and whether or not it will be available for removal. Entire Army and Navy facilities in laboratories and arsenals plus those in whole aircraft industry are deemed to be available. It is contemplated that further facilities listed in the interim report will be impounded.

## Part III

Availability of items marked for reparations and least possible disruption of approved industrial programs being watched in compliance with your W 94752, paragraph B. Part I general recommendations apply.

## Part IV

Catalog of equipment and machinery under reparations removal program being prepared in compliance with your W 94752, Paragraph 4 C. When it is complete will advise. In order that claimant nations might submit estimates of equipment claimed, it is recommended that this catalog be made available to them, and further that this headquarters receive claims after proper authorities have screened them. We can then go ahead with evaluation and scheduling on a rough basis. Claimants might send technical teams to Japan to make selection of equipment. Do not consider it advisable for claimant representatives to come before preliminary arrangements are completed. Recommend that we be allowed to settle disagreements where teams from allied nations do not agree as to allocations."

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740.00119 PW/4-2646 : Telegram

*The Acting Secretary of State to the Ambassador in the Soviet Union  
(Smith)*

CONFIDENTIAL

WASHINGTON, April 26, 1946—7 p. m.

785. Ambassador Edwin Pauley is being sent to the Far East by the President to continue his study of the Jap reparations problem, particularly in relation to external assets, and in order to do so plans

to visit Korea and Manchuria. He will be accompanied by a small group of specialists. He expects to be in Seoul about the middle of May. Please request the appropriate Soviet authorities to make the necessary arrangements for Ambassador Pauley to carry out his mission in northern Korea. He will have his own plane but, if the Soviet authorities prefer, he is prepared to utilize travel facilities which the Soviets may place at his disposal.

Repeated to Seoul.<sup>16</sup>

ACHESON

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894.30/4-2646

*Memorandum by the State-War-Navy Coordinating Committee to  
the Secretary of State*

TOP SECRET  
SWN-4203

WASHINGTON, 26 April 1946.

On 28 March 1946 the State-War-Navy Coordinating Committee in memorandum SWN-4090<sup>17</sup> requested the State Department to communicate to the Government of the U.S.S.R. the substance of the note in Appendix "C" of SWNCC 186/12.<sup>17</sup>

The Joint Chiefs of Staff consider it most desirable that this note be supplemented, in whatever fashion the Department of State may find most expedient, by additional information substantially as follows:

"On 14 September 1945 the United State Chiefs of Staff issued a directive to the Supreme Allied Commander, a copy of which was forwarded to your high command, requiring that he coordinate the use of captured Japanese shipping in the repatriation of Japanese nationals from all areas and in other matters connected with the capitulation of Japan. In order to carry out this directive, requests were made to the Soviet command as to the amount and condition of Japanese shipping recovered in Soviet areas, but this information has not been furnished. It will be recognized that a fair assignment of Japanese vessels to employment in the repatriation of Japanese from the various areas can be made only if the requirements of the task and the quantity of vessels captured in all areas are made known to the Supreme Commander for the Allied Powers. Consequently, a request for the assignment of Japanese vessels, in addition to those now in possession of the Soviet command, for repatriation of Japanese nationals and other purposes connected with the implementation of the Japanese surrender, should be accompanied by sufficient data, both as to the amount of captured Japanese shipping already in the possession of the Soviet command and as to the purposes for which additional Japanese shipping is required by the Soviet command, to permit the

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<sup>16</sup> As telegram No. 60.

<sup>17</sup> Not printed.

Supreme Commander for the Allied Powers to make an equitable assignment of vessels, from total available resources recovered from the Japanese, to the various tasks to be accomplished.”<sup>18</sup>

In approving SWNCC 186/13<sup>19</sup> (copy of which is attached) the State-War-Navy Coordinating Committee concurred in the foregoing views of the Joint Chiefs of Staff.

For the State-War-Navy Coordinating Committee:

JOHN H. HILLDRING

*State Member*

*State-War-Navy Coordinating Committee*

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740.00119 PW/4-3046

*Memorandum by Ambassador Edwin W. Pauley to the Assistant Secretary of State for Economic Affairs (Clayton)*

WASHINGTON, April 30, 1946.

In connection with my pending trip to investigate the implementation of our programs of reparations from Germany and Japan there are certain matters which I feel should be called to your attention at this time.

I am very much discouraged by the progress which has been made to date in implementing such programs. I am particularly concerned about the following:

(1) On December 18, 1945 I submitted a report to you, entitled “Reparations from Japan—Immediate Program”,<sup>20</sup> and shortly thereafter you transmitted this report to the Secretaries of State, War and Navy with your recommendation that it be implemented. The recommendations contained in this report included programs for removals of industrial machinery from Japan proper; depriving Japan of all external assets; shipping gold and precious metals to the U.S.; and using the reparations program to destroy the Zaibatsu.

It has only been within the last few weeks that the program for removal of industrial machinery from Japan has been presented to the Far Eastern Commission for their consideration, and then it was only presented on an informal basis.

No action whatsoever has been taken on the other recommendations which were contained in my interim report, namely: (a) The recom-

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<sup>18</sup> The Department in its telegram 836, May 4, 6 p. m., to Moscow (894.30/4-2646), instructed that this quotation be communicated, substantially, to the Foreign Office as a supplement to the letter addressed to Mr. Lozovsky in accordance with telegram 599, April 1, 7 p. m., p. 485.

<sup>19</sup> April 22, not printed.

<sup>20</sup> This was the same report as that submitted to President Truman.



menation that a vesting decree be issued by General MacArthur which would completely divest the Japanese of all external assets; (b) The recommendation that the gold and other precious metals now in custody of U. S. Forces in Japan should be shipped to the United States Mint at San Francisco to be held in custody pending decision as to its disposal; and (c) The recommendation for using the reparations program in breaking up the Zaibatsu.

EDWIN W. PAULEY

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740.00119 P.W./5-146

*Memorandum by the State Department Member of the State-War-Navy Coordinating Committee (Hilldring) to the Secretary of the Committee (Moseley)*

[WASHINGTON, April 30, 1946.]

Subject: SWNCC 236/16 <sup>21</sup>—Memorandum by the Acting Navy Member, SWNCC

1. With reference to SWNCC 236/16, the reservation accompanying the Navy Department's approval of SWNCC 236/10 and SWNCC 236/15, the State Department concurs in paragraphs 4 and 5 but is unable to concur in paragraph 3. The reservation concerning determination of United States occupation costs and their application as a first charge against all Japanese assets would in effect postpone indefinitely, if not wholly negate, implementation of the interim reparations removals program which Mr. Pauley, SCAP, and the Far East Subcommittee of SWNCC and the J.C.S. have regarded as a matter of urgency.

2. The State Department recognizes the importance of formulation by the United States Government of a policy dealing with definition of costs of occupation and methods by which they may be met. The State Department has formulated proposals on this subject which will, in due course, be submitted to SWNCC for its consideration. SWNCC 236/10 imposes no limitation on the freedom of the United States Government to favor such policies as it may wish with respect to categories and priorities of reparations claims, including those based on occupation costs. The State Department fully concurs in the importance of protecting United States interests in this connection, but does not believe that the reparations transfers proposed in SWNCC 236/10 in any way prejudice in this respect the position of this Government.

J. H. HILLDRING

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<sup>21</sup> May 9; see footnote 10, p. 493.

740.00119 Control (Japan)/5-746 : Circular telegram

*The Acting Secretary of State to Diplomatic and Consular Officers  
at Nanking*

RESTRICTED

WASHINGTON, May 7, 1946—5 p. m.

Re our earlier reply to Sov request for immediate division Jap naval fleet Emb Moscow instructed point out to Sov that any Sov request to SCAP for assignment Jap shipping for repatriation purposes should be accompanied by full data on amount Jap shipping already captured by USSR. Our earlier reply made point that Jap shipping being operated by SCAP for purposes implementation of surrender should remain under SCAP command until such purposes completed, but that SCAP could properly assign tonnage for Jap repatriation from Sov-captured areas.

ACHESON

740.00119 PW/5-746

*Memorandum by Mr. Maurice B. Morgan, of the Division of Japanese and Korean Economic Affairs, to Mr. Robert W. Barnett, of the Same Division*

[WASHINGTON,] May 7, 1946.

Subject: Statement on Compilation of U.S. Claim

Herewith, a statement in detail of the data, procedures and ideas that were involved in deriving the data necessary to present a U.S. claim for reparation from Japan under the criteria we have set up.<sup>22</sup>

For purposes of comparability the German-Austria Division's form of analysis and presentation were followed as far as possible. Modifications to suit the case of Japanese reparations and differences in criteria were made where necessary.

As our claim, its format and procedure for computation under each category, will probably be referred to as a model by interested countries, categories under which the U.S. can present no claim are presented with an explicit statement to that effect. The effect should be to indirectly call attention to those nations that do have such claims (e.g. "Costs of Occupation" while of no interest to us should have sizeable Philippine and Chinese claims) that the category is still carried for their benefit if not for our own.

Major questions are:

a. What date shall we start from, December 7, 1941 when the war actually began with Japan, or an earlier date on the basis that we had to start re-arming due to Japan's belligerent actions?

<sup>22</sup> "Preliminary estimate of United States claim", with details, not printed, but see annex, below.

b. Should we express money values in real prices i.e., after deflation for price rises, in the case of budgetary expenditures and mineral values, or give them in current prices?

## [Annex]

SUMMATION OF U.S. CLAIM FOR REPARATIONS FROM JAPAN  
(Under criteria tentatively recommended by JK)

I. War Damage: (excluding military installations and equipment)			
a. U.S. citizens loss of property			\$300,000,000
b. Loss of cargo			110,000,000
c. Loss of non-military vessels			121,000,000
d. Loss of household and personal effects			2,000,000
e. Loss of gold, silver, currency, deposits, etc.			15,000,000
f. Loss of buildings not otherwise included			1,800,000
Total			\$549,800,000
II. Budgetary Expenditures Allocable to War Against Japan:			
Current dollars			\$114,200,000,000
1941 dollars			86,700,000,000
III. Costs of Japanese Occupation:			None
IV. Man-years of Armed Forces:			16,753,000
V. Human Casualties:			
a. Killed and missing	110,000		
b. Wounded	214,000		
VI. Depletion of Natural Resources:			
a. <i>Major Minerals</i>			
	<i>Quantity</i>	<i>Value</i>	<i>Percent of</i>
	(in millions)	(millions of \$)	<i>Original</i>
			<i>Reserves</i>
<i>Metallic</i>			
Aluminum	1.0 short tons	280.0	
Copper	1.4 short tons	350.0	
Ferro Alloys	2.6 short tons	351.0	
Iron Ore	138.0 long tons	940.0	
Pig Iron	82.0 short tons	1,775.0	
<i>Non-Metallic</i>			
Cement	185.0 barrels	288.0	
Coal (Bituminous	2,277.0 short tons	2,500.0	
and Anthracite)		2,600.0	
Petroleum	2,168.0 barrels		
Other metallic and non-metallic minerals			
Total value, January 1942-July			
1945			\$11,200.0
VII. Other Private and Governmental Claims:			



894.30/5-646 : Telegram

*The Acting Secretary of State to the Political Adviser in Japan*  
(Acheson)

TOP SECRET

WASHINGTON, May 9, 1946—7 p. m.

299. Reurad C-60653 [201].<sup>23</sup> Support of USSR of general principles quoted Paragraph 1, Appendix A, SWNCC 186/12<sup>24</sup> was contained in letter to Secretary Byrnes signed Molotov dated October 19, 1945.<sup>25</sup> On Oct 26, 1945 Dept orally informed British and Chinese Ambassadors that "we had decided to destroy all large vessels of the Jap Navy such as battleships and cruisers as well as Jap submarines and that destroyers and floating vessels with lesser tonnage would be divided equally among the four powers, that is, with the USSR, UK, China and the US".<sup>26</sup>

As stated in paragraph 2, Appendix A, SWNCC 186/12 formal agreement was requested of UK, USSR and China to procedure outlined in Dept's communication quoted therein. Replies have been received from the USSR and China as noted in paragraph 3. No formal reply has been received from U.K.

With regard to further developments in respect of subject matter of paragraph 3 of same Appendix, note quoted in Appendix C was communicated to Soviet Foreign Office on April 5 [6]. On May 4 Dept sent to Embassy Moscow for transmittal in substance to Soviet Foreign Office as supplement<sup>27</sup> to note delivered April 5 the text proposed by JCS in SWNCC 186/13, 22 April 1946, which paper it is assumed you possess.<sup>28</sup>

ACHESON

740.00119 PW/5-1346 : Telegram

*The Acting Secretary of State to the Political Adviser in Japan*  
(Acheson)

CONFIDENTIAL

WASHINGTON, May 13, 1946—6 p. m.

305. In view of SCAP's exclusive responsibility for implementation of terms of surrender and for control of Japan, Dept after considera-

<sup>23</sup> Dated May 6, not printed; it asked for information in regard to disposition of Japanese combatant naval vessels, as the Soviet member of the Allied Council, Lt. Gen. Kuzma Nikolayevich Derevyanko, had raised questions concerning the matter (894.30/5-646).

<sup>24</sup> March 21, not printed, but see SWN-4203, April 26, p. 505.

<sup>25</sup> See telegram 2199, October 22, 1945, noon, from Moscow, *Foreign Relations*, 1945, vol. VI, p. 996.

<sup>26</sup> See memorandum by the Director of the Office of Far Eastern Affairs, October 26, 1945, *Foreign Relations*, 1945, vol. VI, p. 996.

<sup>27</sup> The supplementary letter was dated May 8, according to telegram 1478, May 9, 9 a. m., from Moscow.

<sup>28</sup> See quotation in SWN-4203, April 26, p. 505.

tion is of opinion that approach to the Soviets in the matter of Japanese fishing operations in Kamchatka (C 59917, Paragraph 6 (B)) might most appropriately be made by SCAP to Russian liaison officer or to Soviet member of Allied Council. It is suggested that point to be emphasized to Soviets might be their share of responsibility in Japanese occupation and urgent need for food obtained from these fisheries to relieve unrest and disease in Japan. Fishery convention of 1928<sup>29</sup> might be mentioned as convenient *modus operandi* facilitating proposed operations rather than as treaty still valid.

If you agree that such representations might appropriately be made in Tokyo and should they prove unsuccessful Dept will then consider instructing Embassy in Moscow to present formal note to Soviet Foreign Office.

ACHESON

740.00119 P.W./5-1346

*The Secretary of State to the Soviet Minister for Foreign Affairs (Molotov), Then at Paris*<sup>30</sup>

PARIS, May 13, 1946.

MY DEAR MR. MOLOTOV: I have learned that there has been some difficulty in obtaining authorization from the appropriate Soviet authorities for Ambassador Edwin Pauley and his Reparation Mission to enter Northern Korea. I understand that your Government has been given complete details with regard to the Mission and the fact that Mr. Pauley would like to proceed to Northern Korea about May 20 to spend three to five days visiting industrial centers, accompanied by a staff of about five members. I should appreciate anything that you can do to facilitate Mr. Pauley's Mission and desire to assure you that reciprocal similar authorization would be granted an equivalent Soviet Mission to visit the southern area of Korea, should you so desire.<sup>31</sup>

Sincerely yours,

[File copy not signed]

<sup>29</sup> Signed at Moscow, January 23, 1928, League of Nations Treaty Series, vol. LXXX, p. 341.

<sup>30</sup> Secretary of State Byrnes and Soviet Foreign Minister Molotov were both in Paris attending meetings of the Council of Foreign Ministers, April 25-May 15, 1946.

<sup>31</sup> The Department in its circular telegram of May 15, 10 a. m., informed Nanking and Paris that "USSR FonOff says Sov authorities north Korea notified of Pauley's visit there." (740.00119 PW/5-1546) The Soviet Chargé (Novikov) in his note of May 18 stated that the Pauley mission had permission to enter north Korea; this was acknowledged by the Department on May 22, and Mr. Pauley was informed by telegram 71, May 18, 5 p. m., to Seoul. (740.00119-PW/5-1846)

740.00119 PW/4-3046

*Memorandum by the Assistant Secretary of State for Occupied Areas  
(Hilddring) to Ambassador Edwin W. Pauley, Then at Tokyo*

[WASHINGTON,] May 14, 1946.

Mr. Clayton has asked me to answer your letter of April 30. I am able to report some progress in the implementation through the channels of our government and the Far Eastern Commission of the recommendations submitted by you on December 18, 1945.

The industrial removals proposals as contained in SWNCC 236/10,<sup>32</sup> a copy of which was given to you prior to your departure from Washington, have been adopted by the State-War-Navy Coordinating Committee without change. Prior to their final clearance, they had been unofficially presented for consideration by the Far Eastern Commission. The FEC has approved the United States proposals for removal of facilities in the aircraft industry, Army and Navy arsenals, and light metals industry<sup>33</sup> with the following changes:

a. In paragraph II, the definition of light metals processing facilities was widened to include "extruding, forging, and casting", as well as "rolling and drawing", facilities.

b. A new sub-paragraph, numbered II (a) (3), was added after sub-paragraph II (a) (2), to read: "Sufficient rolling and drawing equipment should be retained to handle 15,000 metric tons per annum of fabricated aluminum. Such equipment should be of a general purpose character, and can be obtained from any surplus available in other branches of the non-ferrous metals industry."

c. In connection with sub-paragraph 6 (a) (2), it was decided to deal with shipbuilding and ship repair facilities later under the category of shipbuilding, rather than in connection with Army and Navy arsenals.

Proposals for removal from other industries are now under negotiation in the FEC.

The State-War-Navy Coordinating Committee has under consideration your recommendation that a vesting decree be issued which would completely divest the Japanese of all external assets. It has not yet adopted a policy on this matter because it is considered desirable to await conclusion of State Department negotiations now proceeding with the Swiss over the disposition of German assets in Switzerland. It was believed that the outcome of those negotiations would help to show the way of best divesting Japanese external assets in neutral countries and making them available for reparations appor-

<sup>32</sup> *Ante*, p. 493.

<sup>33</sup> For text of Far Eastern Commission policy decision (FEC-059), May 13, see *Activities of the Far Eastern Commission*, p. 68. For other FEC policy decisions relative to specific industries, see *ibid.*, pp. 70-77.



tionment. This, I am informed, will involve a delay of approximately one month. It is my judgment that if we can incorporate in our external assets project in Japan the experience we shall have gained in the case of Germany by waiting only approximately one month, the delay is worthwhile.

I find that no action has been taken on your recommendation that the gold and other precious metals now in custody of United States Forces in Japan should be shipped to the United States Mint at San Francisco. I intend, however, without further delay, to get a U.S. policy on this issue.

J. H. HILLDRING

894.30/5-1446

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

TOP SECRET

No. 419

TOKYO, May 14, 1946.

[Received May 23.]

SIR: I have the honor to refer to this Mission's telegrams 201, May 6, 1946,<sup>34</sup> and 214, May 9,<sup>35</sup> in regard to a protest by the Soviet Member of the Allied Council in connection with a recent SCAP directive to the Japanese Government concerning the destruction of Japanese naval vessels and to the Department's telegraphic instruction 299, May 10 [9], on this subject.

There are enclosed,<sup>36</sup> as listed below, copies of correspondence on this subject which has passed between Lieutenant General K. Derevyanko, Soviet Member of the Council; Major General Paul J. Mueller, Chief of Staff on behalf of the Supreme Commander; and myself, as Chairman and Member for the United States to the Council. A copy of the directive of April 30, 1946 to the Japanese Government, subject, "Destruction of Former Japanese Naval Vessels", is also enclosed.

The principal points raised in General Derevyanko's letter of May 3, 1946 are as follows:

1. The time allowed for consideration of the draft directive was too short, especially as the Soviet Government was not consulted concerning the basic problem and the directive appears to be the result of an American unilateral action.
2. Representatives of the Members of the Council should be allowed to witness the destruction of former Japanese naval vessels. A collateral question involves the disposition of Japanese transport submarines.
3. Vessels for experimental target use should also be allocated to the Soviet Government.

<sup>34</sup> See footnote 23, p. 510.

<sup>35</sup> Not found in Department files.

<sup>36</sup> Enclosures not printed.

4. An executive committee should be formed to compile a list of allocable Japanese naval vessels.

5. The executive committee should also have cognizance over auxiliary vessels of the Japanese navy.

6. Allocable Japanese naval vessels should not be utilized for repatriation purposes.

7. The destruction of special facilities and ammunition is an integral factor in the disarmament of the Japanese navy.

In reply to General Derevyanko's letter of May 3, the Chief of Staff, Major General Paul J. Mueller, explained the chain of command through which policy decisions are transmitted to the Supreme Commander and stressed that, in general, the questions raised by General Derevyanko were beyond the scope of the Supreme Commander's authority. General Derevyanko was also advised that the suggested establishment of an executive committee is not in accordance with the Moscow Communiqué, and that the temporary use of Japanese vessels for repatriation purposes and the destruction of Japanese submarines are both in accordance with instructions received from the United States Government.

In his letter of May 7, 1946 to General MacArthur, General Derevyanko reverted to the question of the time permitted for consideration of the directive and contended that his recommendations had not been given consideration. He suggested that the Council as a whole should consult and advise in the name of the Council.

In reply to this letter, I reiterated that the basic principles for the disposition of Japanese combatant naval vessels were agreed upon by the Governments of the United States, the Union of Soviet Socialist Republics, Great Britain and China, and mentioned the impracticality of calling a meeting of the Council for discussion of each individual directive as well as the desirability of continuing the present procedure of informal consultation and presentation of views.

It would appear that the subject directive is being utilized by General Derevyanko in an endeavor to increase the time for consideration by Council Members of proposed SCAP directives, to expand the functions of the Council, and to circumscribe actions of the Supreme Commander by seeking to establish his dependence upon prior advice by the Council acting as a unit. There is also involved a Soviet desire to preserve vessels to be allocated to the Soviet Government and to throw the entire burden of repatriation upon United States vessels.

Respectfully yours,

GEORGE ATCHESON, JR.

740.00119 PW/5-2146

*Memorandum by the State Department Member of the State-War-Navy Coordinating Committee (Hilldring) to the Secretary of the Committee (Moseley)*

[WASHINGTON, May 15, (?), 1946.]

Subject: Amendments to SWNCC 236/10:<sup>37</sup> Interim Reparations Removal Program for Japan

1. The following amendments to SWNCC 236/10 are offered for consideration and approval by the Committee:

(a) Amendment No. 1: Privately Owned Munitions Plants

(i) Insert the following paragraph after the present paragraph 14 in the Conclusions:

"15. *Privately-Owned Munitions Plants.*

(Definition: Privately-owned plants and establishments primarily engaged in the manufacture of weapons, missiles, ammunition, and military explosives.)

a. All facilities within this category that were originally organized for, or converted through major change in their size and character to the production of munitions should be made available for claim, subject to the following limitation:

(i) *Special Purpose Machinery and Equipment.*

All machinery, equipment, and accessories, which by virtue of initial design, construction, or major structural change, are, as individual items, special purpose in nature and functionally limited to use in connection with the manufacture of equipment or supplies for war or warlike purposes, should be held pending further instructions concerning their disposition.

b. Decision as to the disposition of facilities other than those covered in a. above should be made by SCAP subject to the limitation a.

(i) above."

Renumber subsequent paragraphs.

(ii) Insert the following new paragraph 19 in the Discussion:

"19. *Privately-Owned Munitions Plants.*

a. In addition to a well-organized system of government owned arsenals, Japan, at the close of the war, had a substantial investment in privately-owned munitions plants. Such plants had increased in number from 70 in 1930 to approximately 321 in 1945. A survey by SCAP affords some clue as to their size and importance.

<sup>37</sup> *Ante*, p. 493.



## Privately-Owned Munitions Plants, Japan, 1945

Size of Plant	No. of Plants	Total No. of Mach. Tools
Over 100 Mach. Tools	19	55,143
500 to 1000 " "	15	10,803
100 to 500 " "	188	39,261
Less than 100 Mach. Tools	99	7,170
Totals	321	112,377

b. Two hundred and twenty-one of these plants accounting for 99,000 (88% of total) machine tools appear to have been originally organized for, or through major change in size and character, converted to, the production of munitions. Such plants will have contributed little or nothing to the support of the civilian economy in the past and will have no place in the post-war economy envisioned for Japan in the future. It is believed that these facilities should be made available for claim, subject to the following limitations.

(i) Among the facilities associated with these plants will be some individual items of machinery and equipment so specialized in purpose as to be functionally limited to use in connection with equipment or supplies of an exclusively military nature. Decision as to the disposition of such items is beyond the scope of this Interim Reparations Removal Program. Such items, it is felt, should not be made available for claim pending decision by properly constituted authorities.

c. Decision as to the disposition of the remaining 100 plants should be made by SCAP on the basis of their potential for reconversion to non-munitions production necessary to support the Japanese peacetime economy."

(b) Amendment No. 2: FEC Agreement.

(i) Insert the following paragraph after the present paragraph 16 in the Conclusions:

"17. If necessary in order to secure agreement to an interim removals program by the Far Eastern Commission without excessive delay, the United States member should be authorized, on behalf of the United States Government, to concur in increases of a moderate character in the interim capacity levels proposed herein for retention in Japan in the following listed industries: ball and roller bearings, shipyards, iron and steel, thermal electric power, sulphuric acid, soda ash, chlorine and caustic soda industries."

Renumber subsequent paragraphs.

2. The changes suggested above are discussed in Appendix "A".

J. H. HILLDRING

[Annex]

## APPENDIX "A"

## DISCUSSION OF AMENDMENTS NO. 1 AND NO. 2

1. The reasons underlying the changes proposed as part of Amendment No. 1 are as follows:

In the preparation of SWNCC 236/10 no conclusions were developed regarding the treatment to be accorded privately-owned munitions plants under the Interim Reparations Program. This omission was occasioned in part by the fact that Ambassador Pauley's report made no specific reference to these plants, and in part by the fact that adequate data concerning their natures was not available at that time.

Subsequently, SCAP provided information on which conclusions can be based. In addition, SCAP, members of Ambassador Pauley's staff, and several members of the FEC Reparations Committee have all indicated their belief that such plants should be disposed of under the Interim Reparations Removal Program.

2. The reasons underlying the changes proposed as part of Amendment No. 2 are as follows:

The object of the proposals contained in SWNCC 236/10 is to make available at the earliest possible date a substantial volume of industrial equipment as reparations, without prejudice to further removals at a later date.

In order to secure prompt agreement within the Far Eastern Commission, it may be necessary for the United States member to accede to certain amendments to the proposals put forward by other governments. It is believed that SWNCC may wish to authorize the United States member, at his discretion, to agree to certain changes on behalf of the United States Government, providing such changes are in the direction of increasing the industrial capacity to be retained in Japan on an interim basis, pending determination of a final reparations program.

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740.00119 P.W./5-1646

*Memorandum by Mr. Robert W. Barnett, of the Division of Japanese and Korean Economic Affairs, to Mr. John D. Sumner, of the Office of Financial and Development Policy*

[WASHINGTON,] May 16, 1946.

Subject: U.S. Policy Regarding Reparations

Mr. Pauley's letter to General MacArthur and press statements emanating from Tokyo regarding his current views on reparations<sup>38</sup> are as much news to us as to you.

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<sup>38</sup> For report on Ambassador Pauley's letter to General MacArthur and press conference in Tokyo, see the *New York Times*, May 12, 1946, p. 23, col. 1.

As you know, in the United States proposal for the establishment of an Allied Reparations Committee "absorptive capacity" was mentioned as one of the possible criteria for making reparations allocations. When the U.S. proposal came up for study by the FEC there was an instant and almost unanimous disapproval of the inclusion of any such criterion. I believe that two things now can be said: (1) JK will not press for making "absorptive capacity" a criterion for apportionment; (2) if the United States is asked by claimant countries for aid in determining types of assets particularly suitable for transfer and useful employment in the receiving country, JK would strongly favor arrangements being made to provide such assistance.

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740.00119 PW/4-1746 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom  
(Harriman)*

CONFIDENTIAL

WASHINGTON, May 21, 1946—7 p. m.

4179. Proposals contained in Deptel 1868 to London, rptd to Moscow as 349, to Chungking as 367, Feb 28, were preliminary and informal, directed to Jap external assets as only a portion of overall task of inter-Allied reparations body.

For your info FEC now has under consideration a US proposal for establishment of a Reparations Committee by FEC with authority to determine categories and amounts of Jap internal and external assets available for reparations (as distinguished from restitution and war booty) and to allocate shares among claimant countries on basis of damage and cost incurred in war. Pending FEC discussions, Dept believes it unnecessary to consider now questions raised by Brit Treas (Lond's 4264 Apr 17, not rptd elsewhere) on general subject except re Brit comment on Point 3, on which point validity their view fully recognized; nor does Dept now desire comment further on Soviet reply (Moscow's 1306 Apr 23 to Dept, rptd Paris 103, Chungking 59) except insofar as pgh (4) Moscow's tel is relevant to following: Dept now proposes re Jap external assets no distinction among countries which were invaded, occupied or actively engaged in the war or in state of belligerency, and considers all such conditions as included in general term "at war with Japan".

For transmission, therefore, to Br, Soviets and Chinese respectively present revised position of Dept should be substituted for points 1, 2 and 3 of reference Deptel: "Countries at war with Japan (i.e. includ-



ing belligerent states) may keep Jap assets within their territories, and assets so retained shall be offset against claims by respective countries against Japan."

Revised position results from Dept's failure to make explicit in reference Deptel intention this govt to deal in matters concerning Jap external assets in other American Republics within framework established by resolutions at Rio, Washington and Mexico City Conferences,<sup>39</sup> which provide that each signatory may individually or by international agreement (probably among signatories themselves) reach final decision regarding disposition of enemy property. Refer especially pgh (3) of both resolutions 18 and 19 of Mexico City Conference. Dept's substitute position as stated above does not make provision for Colombia which only severed relations with Japan but is signatory to Mexico City resolutions, so special provision required ensure treatment Colombia similar other American Republics. Br., Soviets and Chinese should be so advised.

Since under resolutions 18 and 19 signatories thereto may individually or by agreement dispose of enemy property, claims against Jap by a signatory govt (while not specifically discussed in such resolutions) are not, in absence of further undertaking, susceptible to limitation by contemplated reparations commission.

Re German external assets, situation with respect other American Republics not yet resolved. For your info only, tendency is to suggest that other American Republics satisfy respective claims against Germany out of German assets within their respective jurisdictions, and that possibly excess, if any, should then be pooled, and deficit in any individual Republic concerned be satisfied out of pool. Thereafter, though this seems not probable, any excess would be made available to war devastated areas. Substantially similar arrangement might well be considered re Jap assets in other American Republics, but unnecessary to decide this question now.

Sent to Lond as 4179, rptd to Moscow as 936, to Nanking as 165, Paris for Reinstein<sup>40</sup> for info only as 2453.

BYRNES

<sup>39</sup> For resolutions of the Third Meeting of Ministers of Foreign Affairs of the American Republics, held at Rio de Janeiro in January 1942, see Department of State *Bulletin*, February 7, 1942, pp. 117-141; for those of the Inter-American Conference on Systems of Economic and Financial Control, held at Washington in July 1942, see Pan American Union, Congress and Conference Series 39; *Final Act of the Inter-American Conference [etc.]* (Washington, 1942); for those of the Mexico City Conference, see *Final Act of the Inter-American Conference on Problems of War and Peace*, Mexico City, February-March, 1945 (Washington, Pan American Union, 1945).

<sup>40</sup> Jacques J. Reinstein, Associate Chief, Division of Financial Affairs.

740.00119 P.W./5-2246 : Telegram

*The Ambassador in the Soviet Union (Smith) to the Secretary of State*SECRET  
PRIORITYMoscow, May 22, 1946—noon.  
[Received May 22—7:48 a. m.]

1609. ReEmbs 1575, May 19.<sup>42</sup> Lozovski in his reply dated May 20 to our request for Ambassador Pauley to visit northern Korea for 15 to 30 days recalls Embassy's previous request for 3 to 5 day visit to which Soviet authorities agreed, assuming that Mr. Pauley would travel in company with a small group of from five to ten persons. After mentioning that Mr. Pauley has informed General Chistyakov that around 100 persons are to travel with him, Lozovski continues:

"In connection with above and considering that between Govts of USSR and USA there is no agreement on despatch by one country of special missions for study of economic situation of districts where troops of other country are deployed, appropriate Soviet authorities do not see any reason for reconsideration of question which was decided in conjunction with desire expressed by Embassy of USA on May 12 and Secretary of State Byrnes in his letter to Molotov on May 13. ["]

Dept please repeat to Tokyo as Moscow's 41 and to Seoul.

SMITH

740.00119 P.W./5-2246 : Telegram

*The Secretary of State to the Ambassador in the Soviet Union (Smith)*SECRET  
US URGENT

WASHINGTON, May 22, 1946—8 p. m.

951. Ref Ambassador Pauley's message dated May 20 to White House and SecState containing exchange correspondence Commands in Korea including Pauley's representations to Chistiakov. Subsequent telegram from Pauley dated May 21 <sup>42</sup> indicated Chistiakov has forwarded to Moscow details on Mission's proposed visit to northern Korea, including specific areas to be visited, methods of transportation to be employed, and precise number of Mission personnel. These details should be included in renewed representations to FonOff in addition to conveying this Govt's strong feeling that Mr. Pauley's Mission warrants urgent consideration. In order that Mr. Pauley's visit to northern Korea may be worked out on the most practical basis and in order to permit him to complete his Mission in the shortest time possible, you should emphasize Mr. Pauley's need for a detailed plan for the Mission's stay in northern Korea. Before Mr. Pauley departs for

<sup>42</sup> Not printed.

northern Korea he desires that such a detailed plan for his visit should be accepted. In this connection you should emphasize that the purpose of the Pauley Mission is to obtain accurate information on Japanese assets in northern Korea as well as in other areas of the Far East in order that coordinated and mutually satisfactory arrangements can be made for the disposition of these assets as reparations among all the powers concerned. Since the Soviet Govt has consented to permit the Pauley Mission to make such a study of northern Korea, you should express the earnest hope that agreement can be reached on a general plan for the visit of the Pauley Mission as outlined in the telegrams under reference. In the event that the Soviets again bring up the question of the large staff you might point out that the members of Mr. Pauley's personal Mission number less than 40 and that the other personnel are accompanying him for technical reasons in connection with such matters as transportation. Sent to Moscow; repeated to Seoul.<sup>43</sup>

BYRNES

740.00119 PW/5-2246 : Telegram

*The Secretary of State to the Political Adviser in Korea (Langdon)*<sup>44</sup>

SECRET

WASHINGTON, May 24, 1946—2 p. m.

US URGENT

77. For Ambassador Pauley. As you have seen from Department's telegram to Moscow repeated to Seoul as no. 76, May 22,<sup>45</sup> I have again asked the Soviet Government to grant necessary authority for your Mission to proceed to northern Korea. Since it appears that the size of your staff is one of the principal obstacles in obtaining permission I hope you will make every effort to reduce the number to a minimum adequate to your purposes.

BYRNES

740.00119 PW/5-2446 : Telegram

*The Ambassador in the Soviet Union (Smith) to the Secretary of State*

TOP SECRET

Moscow, May 24, 1946—7 p. m.

URGENT

[Received May 24—2:03 p. m.]

1643. Personal for Secretary and Matthews eyes only. I am seeking an appointment with Molotov and will take up the matter of Pauley's visit to Northern Korea on the basis of Deptel 951, May 22.

<sup>43</sup> As telegram No. 76.<sup>44</sup> Repeated to Moscow as telegram No. 963.<sup>45</sup> See footnote 43, above.



However, there are several considerations in this connection which I should like to bring to your personal attention.

Since our previous request has already been turned down by the FonOff the only chance of putting it over this time will be to make a strong point of the fact that Mr. Pauley's Mission is representative of the President and Secretary of State who are directly interested in the additional time and personnel now desired by Mr. Pauley. Even at that, the chance of an approval by the FonOff is extremely slight in my opinion, considering the present tense situation in Korea. As Lozovski has already pointed out there is no agreement between our Govts for the dispatch of special economic missions into territories occupied by the military forces of other powers. The present highly suspicious attitude of the Soviet Government will translate the request for additional time and largely augmented personnel into an espionage mission. This is what they would do under similar circumstances if they could and it will be quite impossible for them to believe that we would have a different attitude. They will not take seriously the idea that about 60 of the personnel accompanying Mr. Pauley are for transportation and other services and that only a few members of the party actually will operate. In other words, the chance of a second refusal is almost a certainty in my opinion and since, as stated above, the only possibility of success is to put the request on a Presidential or Secretarial level I suggest that you consider whether it is desirable to invite a refusal on this basis.

Ambassador Pauley has been sending me detailed despatches, I am familiar with and sympathize thoroughly with his position. He is getting the usual runaround. But the fatal error was the request for a small party, which the Russians translated into "5 or 10 people", for a period of 3 to 5 days. However, I am prepared to make a fight for it and might be able to obtain some increase either in the size of the party or in its length of time if I use the heaviest ammunition we have but I want you to know our own estimate of our chances of success and would be glad to know if you wish me to proceed on this basis. Request advice as a matter of urgency.<sup>46</sup>

SMITH

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<sup>46</sup> Secretary Byrnes in telegram 973, May 25, noon, to Moscow, suggested "a new request for Mr. Pauley's mission to visit Korea for a few days with total personnel of 50. I well realize the probability of a second refusal." (740.00119-PW/5-2446)

894.85/5-1446

*Memorandum by the Department of State to the Secretary General of the Far Eastern Commission (Johnson)*

SECRET

WASHINGTON, May 24, 1946.

In accordance with instructions of May 14, 1946 from the State-War-Navy Coordinating Committee<sup>47</sup> there are enclosed, for the information of the Far Eastern Commission, a statement of United States policy and a directive based thereon to the Supreme Commander for the Allied Powers<sup>48</sup> regarding arrangements for release to claimant nations of former Allied vessels captured by Japan.

[Annex]

STATEMENT OF U. S. POLICY

a. The control of SCAP over former Allied vessels recaptured from the Japanese should be extended to authority to use former Allied war and other public vessels and miscellaneous water-borne craft of all types.

b. SCAP should be authorized to release all former Allied war or other public vessels regardless of size (except public merchant vessels) and all former Allied water-borne craft of any type of less than 500 gross tons direct to claimant nations when these vessels are no longer needed by SCAP for any task connected with the implementation of the Japanese surrender.

c. The CSAB should be designated as SCAP's agent for the purpose of disposing of former Allied public merchant or privately owned merchant vessels and other privately owned water-borne craft of all types of 500 gross tons and over.

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740.00119 PW/5-2546 : Telegram

*The Secretary of State to the Ambassador in the Soviet Union (Smith)*

SECRET

WASHINGTON, May 25, 1946—2 p. m.

974. For your info in connection visit Pauley to northern Korea following received from Pauley today:

"Please inform interested parties that Moscow's 41,<sup>49</sup> as I understand it, denies my mission access as suggested in my letter of May 20

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<sup>47</sup> SWN-4286, May 14, not printed.

<sup>48</sup> Directive, not printed, was sent on May 13 to SCAP by the Joint Chiefs of Staff. It consisted of an annex to Appendix "C" of SWNCC 227/8, approved March 28, not printed.

<sup>49</sup> See last sentence of telegram 1609, May 22, noon, from Moscow, p. 520.

to Chistiakov setting forth a full itinerary and placed me in a position of either not going north of the 38 parallel, or going with a bandage over my eyes.

I propose now to do the latter, but continue to press for full plan. In the meantime, will establish a base at Mukden for Manchuria operation, maintaining a minimum sized base in Seoul."<sup>50</sup>

BYRNES

740.00119 P.W./5-2746 : Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

CONFIDENTIAL

TOKYO, May 27, 1946.

PRIORITY

[Received June 1—4:28 p. m.]

236. ReDeptel 305, May 14 [13] and our 222, May 20.<sup>51</sup> In letter dated May 24 from Soviet member Allied Council in regard to SCAP request for Soviet permission for Japanese fishing companies to operate in Kamchatka it is stated that all former Japanese fishing concessions in Soviet territory have been confiscated and given to various state enterprises which have completed preparatory measures, invested large amounts and already begun work; and that because Japanese fishing industries did not "concern themselves" with this question several months ago before transfer of former Japanese fishing districts to state enterprises, appropriate Soviet organizations cannot accept for examination present application which is supported by SCAP.

Suggest Dept consider instructing Embassy in Moscow to make formal representations there.

ATCHESON

740.00119 P.W./5-2846 : Telegram

*The Ambassador in the Soviet Union (Smith) to the Secretary of State*

SECRET

Moscow, May 28, 1946—7 p. m.

PRIORITY

[Received May 28—6:21 p. m.]

1678. I saw Molotov this afternoon and raised the question of the Pauley Mission. He informed me that Pauley and his party had

<sup>50</sup> In telegram 975, May 25, 4 p. m., to Moscow, the Department reported Mr. Pauley's latest message offering further limitations on his proposed visit to north Korea in connection with a new request to the Soviet Foreign Office (740.00119 P.W./5-2546).

<sup>51</sup> Latter not found in Department files.



already arrived in Northern Korea,<sup>52</sup> but he declined to agree officially to any modification of the original time limit. I gathered from his remarks that the Foreign Office attitude is a reflection of irritation in the Soviet Army which obviously has been objecting to the Pauley Mission, and that the original concession was about as far as Foreign Office could go. I am of the opinion that Mr. Pauley will be given his minimum of 5 days for visiting plants and economic facilities.

Department please repeat to Tokyo as 47 and Seoul.

SMITH

740.00119 PW/1-1446

*The Secretary of State to the French Ambassador (Bonnet)*

The Secretary of State presents his compliments to His Excellency the Ambassador of France and has the honor to refer to the note no. 36 of January 14, 1946<sup>53</sup> inviting the attention of the Department of State to the information that the Allied High Command in Tokyo has charged the Bank of Japan to liquidate the Banque Franco-Japonaise to take over the property and interests of the Tokyo agency of the Banque l'Indochine with a view to the refunding of certain deposits and the realization of certain assets in this bank.

The Supreme Commander for the Allied Powers in Japan has informed the Department that with respect to these banks, payment of depositors' claims has been authorized and assets are being preserved. No liquidation is contemplated at this time, and no discriminatory action has been taken against the banks.

With respect to the Embassy's request that the Department intervene with the competent authorities with a view to returning to France the free disposition of the enterprises in which she possesses interests, although no definite assurances can be given at this time, the Department will be glad to discuss this matter with appropriate representatives of the French Government.

WASHINGTON, May 29, 1946.

740.00119 PW/5-3146 : Circular telegram

*The Secretary of State to Certain Diplomatic and Consular Officers*<sup>54</sup>

SECRET

WASHINGTON, May 31, 1946—8 a. m.

Pauley reports Chistiakov has prearranged tour for mission with all movements heavily guarded. Mission not allowed visit two major

<sup>52</sup> The Department in its telegram 984, May 28, 8 p. m., to Moscow, quoted Mr. Pauley as reporting his party of 26 (10 principals, 2 aides, 5 interpreters, 3 secretaries, 1 train chief, 1 surgeon, and 4 drivers) expected to leave May 29 at 7 a. m. for north Korea (740.00119 P.W./5-2846).

<sup>53</sup> Not printed.

<sup>54</sup> At Berlin, London, and Paris.

areas north Korea, denied access certain plants other areas, not permitted split into groups to accomplish mission in 5 days allowed. Sovs forbidden members take any photographs on official trips.<sup>55</sup>

BYRNES

740.00119 PW/6-546 : Telegram

*The Ambassador in the Soviet Union (Smith) to the Secretary of State*

SECRET

Moscow, June 5, 1946—10 a. m.

[Received June 5—6:45 a.m.]

1759. Lozovski replied on June 1 to our previous letters of April 6 (ReEmb's 1067, April 6<sup>56</sup>) and of May 8 (ReEmb's 1478, May 9<sup>57</sup>) in regard to disposition of Japanese naval and merchant fleets. Letter in translation reads as follows:

"1. Soviet Govt, in accordance with proposal of Govt of USA, gave instructions to its member on Allied Council for Japan, Lt. General Derevyanko, to communicate with Supreme Commander for Allied Powers in Japan on question of allotting to Soviet command portion of Jap warships and merchant vessels under his control for fulfilling tasks connected with completion of capitulation of Japan in districts occupied by troops of Red Army. Appropriate data on quantity and condition of Jap vessels which are under control of Soviet command were communicated to Supreme Allied Commander in Japan by member of AC, Lt General Derevyanko, in letter of April 12, 1946.<sup>58</sup>

"2. Prior to moment of final allocation of Jap war vessels among four Allied powers, Soviet Govt believes it necessary to proceed now to inventory and draw up exact lists of war vessels subject to division. For these aims it is proposed to form commission of competent representatives of four Allied powers, USSR, USA, Great Britain and China with a view toward this commission setting to work in very near future.

"For purpose of maintaining Jap war vessels subject to division in good condition, Soviet Govt believes it necessary that these vessels be freed from carrying out repatriation work, the more so considering they are fully unsuited for accomplishment of this type of task. Instead of these vessels it would be more expedient to use for repatriation the large Jap war vessels subject to destruction as well as transport ships of Jap merchant fleet.

"3. For carrying out preliminary measures for disposition of Japanese merchant fleet among Allied powers and for purpose of facili-

<sup>55</sup> Mr. Pauley left Seoul for Mukden, Manchuria, on June 14.

<sup>56</sup> Not printed, but see telegram 599, April 1, 7 p. m., to Moscow, p. 485.

<sup>57</sup> See footnote 27, p. 510.

<sup>58</sup> In repeating Moscow's telegram 1759 (in telegram 347, June 7, 6 p. m.) the Department informed Tokyo with reference to this paragraph that "Dept has not been informed that data on Japanese vessels under Soviet control were submitted to SCAP by Gen. Derevyanko as stated in Soviet note. Your comments requested." (740.00119 PW/6-546).

tating negotiations for its final allocation, Soviet Govt believes it expedient to form analogous competent commission for representatives of four Allied powers: USSR, USA, Great Britain, China, which should immediately proceed to take inventory of Jap merchant fleet, evaluate it, ascertain technical condition, etc."

SMITH

740.00119 PW/6-1146

*Memorandum by the Legal Adviser (Fahy)*

[WASHINGTON,] June 11, 1946.

In conference with Mr. Barnett of the FEC staff today, following up the conference with General McCoy, I advised that there was no legal objection to the attached proposal but urged, as a matter of policy, that subparagraph (a) should be deferred so as to maintain the position of the United States that such matters should be settled under correct principles. If the Reparations Commission is promptly set up and determines that Russia is entitled to a certain amount, and if under (c) of the draft the inventory is filed and shows that the total commingled amount which Russia has is not more than she is entitled to, there would never be an occasion for a definition of war booty. The decision could then be made on the basis of the facts that Russia should retain all such property, as provided in (a).

CHARLES FAHY

[Annex]

*Draft on War Booty and Other External Assets* <sup>59</sup>

PROBLEM

To determine the United States position with respect to war booty and other external assets as factors in the Japanese reparations settlement.

FACTS BEARING ON THE PROBLEM

See Appendix "A".

DISCUSSION

See Appendix "B".

CONCLUSION

It is concluded that the United States member of the Far Eastern Commission should propose that no distinction should be made be-

<sup>59</sup> Pencil notation: "6/11/46 Left with Mr. Fahy by Mr. Barnett". For full text as approved on July 12 by SWNCC, see annex ("War Booty") to SWN-4541, July 12, p. 546.



tween war booty and all other types of Japanese external assets as they may be applied to fulfillment of recognized and approved national reparations claims, providing that simultaneous agreement is reached:

*a.* That all countries at war with Japan should retain all types of Japanese property, supplies, or equipment, military, quasi-military, or civilian, under their administrative control, existing within their territories on 2 September 1945, or removed to their countries subsequent thereto.

*b.* That Japanese property, supplies or equipment, military, quasi-military, or civilian, as defined in *a.* above should be offset against total national percentage shares of the total Japanese assets, both those within Japan (those declared available for reparations apportionment) and those outside Japan.

*c.* Inventory will be supplied to the Japanese reparations agency by countries at war with Japan of all types of Japanese property, supplies, or equipment, military or civilian.

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740.00119 PW/6-2046

*Report by the State-War-Navy Coordinating Subcommittee for the Far East* <sup>60</sup>

SECRET

## FINAL POLICY CONCERNING RESTITUTION OF LOOTED PROPERTY FROM JAPAN

### THE PROBLEM

1. To determine United States policy with respect to proposals pending in the Far Eastern Commission covering restitution from Japan of ships, industrial and transportation equipment, gold, other precious metals, precious gems, foreign securities, foreign currencies and other foreign-exchange assets, cultural objects, agricultural products, and industrial raw materials.

### FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

### DISCUSSION

3. See Appendix "B".

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<sup>60</sup> SWNCC 227/13, June 14, was approved by SWNCC on June 20 and transmitted the same day with SWN-4439 to the Department. The "conclusions" and Appendixes C and D were transmitted by the Department on June 24 to General McCoy "as representing in substance approved United States policy with regard to restitution policy and procedure". SWNCC 227/13 was sent to Tokyo in instruction 187, June 25, for the Political Adviser in Japan (Atcheson).

## CONCLUSIONS

4. It is concluded that:

*a.* The policy statement at Appendix "C" should be adopted as U.S. policy.<sup>61</sup>

*b.* The restitution procedure approved in SWNCC 227/3, paragraphs 5 (*a*) and (*b*), should be extended to apply to all categories of items declared subject to restitution in Appendix "C", and, together with the procedure for restitution of ships approved in SWNCC 227/8, should continue in force except as specifically modified by the provisions of Appendix "C".

*c.* The information and suggestions from SCAP contained in Appendix "D" should be conveyed to the Far Eastern Commission.

## RECOMMENDATIONS

5. It is recommended that:

*a.* These conclusions be forwarded to the SWNCC for approval;

*b.* After approval by the SWNCC, the State Department transmit the conclusions to the U.S. member of the FEC as representing in substance approved U.S. policy with respect to restitution policy and procedure.

[Annex 1]

## APPENDIX "A"

## FACTS BEARING ON THE PROBLEM

1. In SWNCC 227/3 an interim restitution policy was adopted as follows:

"5. It is concluded that:

"*a.* For the time being the government of any of the United Nations at war with Japan should be permitted to take delivery, at a point in Japan designated by the SCAP, of property (with the exception of gold and other precious metals, tin, precious gems, foreign exchange and other securities, and ships and waterborne craft of all kinds) looted from it or from any of its nationals by the Japanese Government, Japanese armed forces or Japanese nationals, provided that:

(1) Request for such restitution, accompanied by available evidences of ownership, has been presented by such government to the United States Government for transmission to SCAP.

(2) The SCAP is satisfied (*a*) as to the identification of such property; and (*b*) that such claimed items come under the following definition of looted property restitutable from Japan, i.e., that they were

<sup>61</sup> For text of Appendix C on "Restitution of Looted Property", adopted by the FEC on July 18, see *Activities of the Far Eastern Commission*, p. 80.

removed from areas under occupation by Japanese armed forces subsequent to the date of such occupation (but not earlier than July 7, 1937), and that they were owned by the government or nationals of the claimant nation at the time when the Japanese Government, armed forces, or nationals took possession thereof. The question of payment, if any, by the Japanese at the time of acquisition should be disregarded.

(3) The SCAP does not deem the employment of such property within Japan necessary for the requirements of the occupying forces or for the accomplishment of the objectives of the occupation.

(4) Proper receipt has been furnished to SCAP upon delivery, together with an undertaking on the part of the claimant government to make appropriate equitable adjustment and abide by final inter-Allied decision in respect of any conflicting claims to such property that may be made by other nations or their nationals.

"b. In cases where the SCAP is not satisfied with the conditions set forth in subparagraph a(2) above have been met, he should be authorized in his discretion to withhold disposition of the claimed property pending consideration of the matter by an appropriate inter-Allied agency or by the interested governments.

"c. The SCAP should be requested to recommend appropriate arrangements to permit representatives of nations occupied by the Japanese to engage in investigations within Japan directed towards location or identification of looted property.

"d. The SCAP should report to JCS for transmission to the State, War and Navy Departments his action on all requests for restitution."

2. In SWNCC 227/8 restitution policy and procedure applicable to ships was provided as follows:

"4. It is concluded that:

"a. The control of SCAP over former Allied vessels recaptured from the Japanese should be extended to authority to use former Allied war and other public vessels and miscellaneous waterborne craft of all types.

"b. SCAP should be authorized to release all former Allied war or other public vessels regardless of size (except public merchant vessels) and all former Allied waterborne craft of any type of less than 500 gross tons direct to claimant nations when these vessels are no longer needed by SCAP for any task connected with the implementation of the Japanese surrender.

"c. The CSAB should be designated as SCAP's agent for the purpose of disposing of former Allied public merchant or privately owned merchant vessels and other privately owned waterborne craft of all types of 500 gross tons and over."

3. The U.S. in notes to several governments has opposed on principle the restitution of industrial raw materials, as for example in the following excerpt from the note to the U.K. of January 26, 1946:



"The United States Government takes the position that principles of restitution arising from Japanese acts of dispossession must be the subject of careful discussion. Adhering to the Declaration of January 5, 1943, with regard to Axis Acts of Dispossession,<sup>62</sup> the Government of the United States nevertheless feels that in the Far Eastern Theatre, as in the European, implementation of restitution principles must be carefully worked out. Meanwhile, it appears to this Government that commodity stockpiles, when and if declared surplus by the Supreme Commander for the Allied Powers, must be immediately made available as offsets to necessary imports. Disposition of surpluses in such manner as may be necessary to make proceeds fully available in this manner should be permitted. It is also the view of this Government, that although surplus commodity stocks of such products as tin, antimony and rubber should be available in the manner above stated, inquiry as to the origins of these stocks may be carried forward. The determination of the origin of presently existing stockpiles as a possible basis for a restitution claim, should be made without prejudice as to the final decision as to the priority of claims between such items as restitution, reparation and payment for occupation costs. The United States Government is now working on arrangements to permit inspection of presumably looted material in Japan. Pending completion of these arrangements, it is suggested that your Government may wish to indicate what identifying information might be obtained by the Supreme Commander. The use of stockpiles or their immediate proceeds to pay for necessary imports, however, is a procedure which, in the view of this Government should be followed regardless of final decision on restitution and related matters."

4. SWNCC 227/10 sets forth certain information and suggestions regarding restitution procedure received in a message from SCAP, dispatched in response to a cable requesting such suggestions quoted in SWNCC 227/3.

5. The following exchange of cables was made between CinCAFPAC and SCAP, Tokyo, and the War Department:

a. War Department cable to CinCAFPAC, 22 May 1946:

" . . . Cable in 4 parts.

Part 1.

Subj is restitution. FEC and SWNCC working gps now considering draft proposal for final policy restitution of looted property fr Japan which is substantially as stated in Part 4 below. Request your comments and especially on fol:

1. Re paragraph 2:

A. Whether waiving priority of occupation needs in restitution of Allied vessels presents serious difficulties;

B. Recommend schedule for restitution of Allied vessels;

2. Re paragraph 3: Is priority for repair and restoration of salvageable ships objectionable?

<sup>62</sup> *Foreign Relations*, 1943, vol. 1, p. 443.

3. Appropriate magnitude and schedules for program repairing and restoring salvageable ships.

Part 2.

Note raw materials subj to restitution confined to those present in claimant country when occupied by Japanese.

Part 3.

Early reply requested since U.S. policy statement to FEC considered imperative.

Part 4.

Condensed draft follows:

"1. Immediate steps shall be taken to restore Allied countries objects in 4 categories listed below found in Japan which are identified by SCAP as located in Allied country at time of occupation of that country, and which removed by fraud or duress by Japanese or their agents. The fact payment was made shall be disregarded unless conclusive evidence that fraud or duress did not take place.

"A. Industrial and transportation machinery and equipment.

"B. Gold, other precious metals, precious gems, foreign securities, foreign currencies, and other foreign exchange assets.

"C. Cultural objects.

"D. Agricultural products and industrial raw materials.

"2. Immediate steps shall be taken to restore to Allied countries ships all types and sizes found in Japanese waters identified by SCAP (or his agent) as registered in an Allied country at time of seizure or sinking by Japanese or their agents, or at time of acquisition by Japanese or agents by fraud or duress. The fact payment was made shall be disregarded unless conclusive evidence that fraud or duress did not take place.

"3. Salvageable ships damaged or sunk and found in Japanese waters, on request of claimant country shall be salvaged, repaired, or refitted to permit return in condition substantially similar to that at time they came into Japanese hands. Costs of necessary salvage, repair and refitting in Japan shall be borne by Japanese Government but shall be applied against reparations apportionment to claimant country.

"4. Processing of claims for machinery and equipment found in Japan shall not be permitted in general to delay removals of machinery and equipment on reparations account, but no item for which restitution claim has been received by SCAP shall be allocated on reparations account until claim has been acted upon. On other hand, no restitution claim shall be recognized for articles already allocated to particular countries on reparations account.

"5. Claimant government shall take delivery, at point in Japan designated by SCAP and also undertake to make appropriate equi-

table adjustment and abide by final inter-Allied decision in respect any conflicting claims to such property made by other claimant governments. Relevant trans expenses within Japan and any repairs necessary for trans including manpower, materials and organization to be borne by Japan and included in restitution. Expenses outside Japan borne by recipient country.

"6. Restitution claims for property other than ships would be made by government of Allied country from whose territory property claimed was removed; and restitution made to that govt. In case of ships restitution claims should be filed by, and restitution made to, govt of country whose flag vessels were wearing or on whose register of shipping vessels were borne at time of sinking, seizure or acquisition as specified in paragraph 2.

"7. No items shall be included in Japanese export programs which SCAP considers as probably subject to restitution. If items later determined to be subject to restitution should be exported for purchase, equitable compensation shall be made to country to which items exported should have been restored.

"8. Without prejudice to other arrangements which may be made between the interested parties, foregoing restitution policies, especially in par 6, not intended to give Allied government concerned right to withhold from a person who is national of another Allied power any property to which he may establish a legitimate title.

"9. FEC recommends to the govt of those countries within whose territories may be found looted objects, including ships, that bilateral arrangements be drawn up providing for restitution according to these principles.

"10. FEC requests the US forward this statement of policy through usual channels to states not represented on FEC and within whose territories such looted objects may be found."

b. CinCAFPAC cable to War Department 28 May 1946:

" . . . Before submitting detailed comments please clarify following:

Part 2 your radio. Should it be inferred that rubber stocks for example seized by Japanese upon occupation Malaya may be restituted but that such products produced in Malaya during occupation are not subject to restitution?

Part 4 subparagraph 7. Should export balance tin stocks in Japan be deferred as probably subject to restitution or should shipments balance tin stocks continue to go forward for final determination in United States as was done in recent tin case?"

c. War Department cable to CinCAFPAC 29 May 1946:

" . . . Of rubber stocks found in Japan any identified as seized by Japanese upon occupation Malaya would be subject to restitution



but any produced in Malaya during the occupation would not be restituted.

Degree of probability an item is subject to restitution and should be excluded from export programs is and would be matter for SCAP judgment and decision. If probability is low that tin in Japan can be identified "As located in Allied country at time of occupation of that country" such tin may continue to be forwarded and all available evidence possibly bearing on its being subject to restitution should be forwarded here."

d. SCAP cable to War Department 7 June 1946:

"... Comments are submitted as follows:

Part 1: 1. Waiving of occupation needs in restitution of Allied vessels presents no difficulties. However, considered desirable and equitable to give first priority return United States vessels loaned for purpose of repatriation and maintenance of minimum Japanese economy. Allied vessels subject to restitution and now engaged in occupational employment are: Dutch vessel *Reael*, Chinese vessel *Hsinan*, British vessel *Jesse Moeller*, British vessel *Edith Moeller*, British vessel *Shin Yangtse*, Swedish vessel *Miramar*, Manchuquo vessel *Lung Shun*. Tentative target date for completion return of foreign vessels is 30 November.

2. Assignment of priority for repair and restoration of salvageable ships is not objectionable.

3. Estimates of appropriate magnitude and schedules for program repairing and restoring of salvageable ships is not practical until it is known what claimants desire to have repairs effected. Lists are being forwarded by mail showing for each vessel extent of damage estimated cost and time to repair with comments on economic feasibility of repair. Work can be started immediately upon receipt of claimants order to proceed.

Parts 2 and 3: No comment.

Part 4.

1. Restoration to all Allied countries of objects in the four categories presents the following problems:

A. Priority must be maintained to retain in use for purposes of the occupation. With few exceptions this machinery and equipment removed to Japan has now deteriorated to point of being of little value.

B. Only a negligible quantity of these items has been identified. Under the circumstances of looting, storage and lack of proper accounting by Japanese, it is nearly impossible to identify the greater part of the gold, other precious metals and precious gems.

C. There are records of a few cultural objects which have been looted and brought to Japan. These will be restored upon request and after positive identification.

D. Looted agricultural products consist almost wholly of food-stuffs. These have already practically been consumed by the Japanese.

The amount of conclusive identification of industrial raw materials has been negligible. A large percentage of metal imports consisted of unidentifiable ore and concentrate. In view of previous commitments involving tin, lead, antimony, copper and rubber, consider inadvisable make further inroads on present stocks Japan. Such procedure would impair present approved manufacturing programs and have a deteriorating effect on industrial economy of Japan.

2, 3, 4, 6, 7, 8, 9, 10: No comment.

Part 5: Request SCAP be given authority to deliver vessels to Western Pacific points outside of Japan at his discretion in order to facilitate delivery."

6. The following reservations with regard to the restitution of property looted prior to certain dates were introduced in the Far Eastern Commission (FEC SC 014):

a. *Canada* "The Canadian Government feels that it would be undesirable to provide for the presentation to Japan of claims regarding property seized prior to September 18, 1931."

b. *China* "In principle, the Chinese Delegation sympathizes with the Soviet position that restitution should apply to objects looted during previous periods of aggression on the part of Japan. However, in view of the practical administrative limitations of SCAP under the present circumstances, the Chinese Delegation is of the opinion that the date September 18, 1931, which marks the beginning of the recent conflict, should be taken as the date of application in the case under discussion. This is without prejudice to Chinese claims for restitution of objects looted prior to that date and the Chinese Government reserves the right to seek the subsequent restitution of such objects through peace with Japan or by other diplomatic means."

c. *Union of Soviet Socialist Republics* "In so far as, at one of the last meetings, the representative of the Government of the United States on Committee No. 1 put the question of whether the Soviet side would insist upon an earlier date in relation to questions of reparations, and in so far as the representative of New Zealand expressed his opinion that in case the Soviet side would not use, as precedent, the deleting of the words 'during the recent conflict' from CI-002/4 (Restitution of Looted Property), he would agree with such a deletion, I may at the present time bring to the attention of Committee No. 1 that the Soviet side has no intention of insisting upon the earlier date, say 1918, in discussing the question of reparations.

"Since the question about the date is very clear now, I ask you to strike out the above mentioned date or to indicate an earlier date, say 1918. In the case no period be mentioned, that, in general will be acceptable to us; this would mean that any side may present claims for restitution of property looted by the Japanese in the period prior to 1937 or 1931."

*d. United Kingdom* "In the opinion of the United Kingdom, restitution should be confined to property looted from an Allied territory after the outbreak of the last war in the Pacific, i.e., after July 1937 in the case of China and after December 1941 in the case of other Allied territories."

[Annex 2]

## APPENDIX "B"

### DISCUSSION

[Here follows summary of modifications effected in Appendix "C".]

8. Arrangements for restitution between Allies are not within the scope of FEC jurisdiction, and hence only a suggestion that they be made can be incorporated in the proposed FEC document. It is not believed that this proposal raises any policy questions of interest to the U.S.

9. It is believed that Appendix "C" in substance will be acceptable to all other governments on the FEC. No wording which does not at least leave open to the USSR the right to secure restitution from SCAP of cultural objects looted by the Japanese during their occupation of Siberia from 1918 to 1922 will be accepted by the USSR, though the Soviet representative has stated that his government has no intention of insisting on the same date in the field of reparations. The amounts involved are believed to be minor. The major issues are whether the FEC can properly fix a policy which provides for restitution of objects looted by the Japanese prior to the present war and whether the U.S. can without too serious embarrassment agree to the restitution of objects removed in the course of a military operation in which the U.S. participated. On balance it is believed that the issues are not of sufficient importance to justify further efforts to reach a compromise solution other than the one here proposed and that the policy in the conclusions should be adopted. In agreeing to restitution of objects looted prior to outbreak of this war, it is proposed to avoid any commitment for reparations payments for damage inflicted by the Japanese prior to this war.

10. If Appendix "C" is adopted by the FEC, it becomes appropriate to extend the restitution procedures approved in SWNCC 227/3 to apply to all categories of items listed in Appendix "C" and to continue these procedures, together with those prescribed in SWNCC 227/8, except as they are specifically modified by the provisions of Appendix "C". These modifications have already been indicated in paragraph 1 of this "Discussion".



11. Appendix "D" presents certain supplementary information and suggestions from SCAP regarding restitution procedure. These should be conveyed to the member governments of the FEC. Certain other suggestions by SCAP, contained in SWNCC 227/10, are deemed to be inappropriate for inclusion here, for they deal with restoration of Allied property impounded or sequestered in Japan, a subject dealt with in a separate SWNCC paper.

[Annex 3]

APPENDIX "D"

[INFORMATION FROM SCAP FOR THE FEC]

1. The United States member wishes to convey to the Far Eastern Commission certain information and suggestion based on a recent communication from the Supreme Commander for the Allied Powers regarding procedures to be followed in securing the return of Allied property found in Japan and subject to restitution. These proposals supplement the procedures already laid down in FEC 011/7 and FEC 047, which will continue in force until such time as they may require modification in the light of restitution policies approved by the Commission.

2. Requests for restitution of particular items should take the form of claims endorsed by the claimant government and forwarded through the channels prescribed in FEC 011/7. It is suggested by the Supreme Commander that, accompanying the "endorsed claim", should be a description of the property, proof of ownership, the circumstances surrounding seizure and such other information as would obviate the necessity of further recourse to the claimant. In order to facilitate action, it is important that claims be in complete and standardized form. The Supreme Commander will forward detailed suggestions regarding a desired form which it is hoped will be employed by claimant governments.

3. The Civil Property Custodian Section of SCAP will handle restitution matters for the Supreme Commander, including investigation of claims and requiring the Japanese Government to transfer title to the claimant government.

4. In recognition of the desire of claimant governments themselves to conduct inquiries for restitution purposes in Japan, it is suggested by the Supreme Commander that each member nation of the Far Eastern Commission desiring to do so establish in Tokyo an accredited permanent representation to operate under the executive authority and operational control of the Supreme Commander. Such representation should not exceed 5 individuals from each represented gov-

ernment and should be capable of acting on routine matters pertaining to reparations removals, restitution or any other matter which would otherwise require the visit of individual missions. A principal purpose of establishing such a body would be to obviate the necessity, except in extraordinary cases, of individual missions which are objectionable because of recurring clearance, transport and billeting problems and the difficulty of establishing adequate control over their activities. A permanent accredited body if established would overcome or at least minimize these objections. In an extraordinary case pertaining to restitution which cannot be handled adequately by permanent representatives in Japan, the "endorsed claims" as submitted to the Supreme Commander should contain a request for clearance of an individual mission for an expressed purpose. It is contemplated that the foreign representation described above would render such assistance as required in obtaining restitution and accepting delivery on behalf of claimant governments. In view of the fact that the Civil Property Custodian Section of SCAP has only recently been established, it is requested by SCAP that special missions or permanent representatives for the above purpose not arrive in Japan prior to July 1, 1946.

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740.00119 PW/6-2146

*Directive by the Joint Chiefs of Staff to General of the Army Douglas MacArthur, at Tokyo* <sup>63</sup>

Serial No. 52

[WASHINGTON,] 15 June 1946.

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 12 June 1946 under the provisions of Paragraph II, A, 1, of its terms of reference, has been received from the State, War and Navy Departments for transmission to you for guidance in accordance with Paragraph III, 1, of those terms of reference:

DIRECTIVE REGARDING INTERIM REPARATIONS REMOVALS: IRON AND STEEL INDUSTRY; THERMAL ELECTRIC POWER; SODA ASH, CHLORINE, AND CAUSTIC SODA INDUSTRY.

1. *Iron and Steel Industry*

(Definition: "Plants and establishments primarily engaged in the production of pig iron or steel ingot.")

a. That portion of Japan's capacity for the production of steel ingot that is in excess of 3.5 million metric tons annually will be made available immediately for claim. In selecting plants for removal first

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<sup>63</sup> Copy transmitted to the Department by SWNCC with its SWN-4443, June 21, and by the Department to the Far Eastern Commission on June 24.

consideration will be given to electric furnace capacity, which will be reduced to an aggregate of 100,000 metric tons annual capacity made up as far as possible of furnaces of individual charge capacity of 1½ tons or less. No Bessemer steel capacity will be removed.

b. That portion of Japan's capacity for the production of pig iron that is in excess of 2.0 million metric tons annually will be made available immediately for claim.

Plants and establishments engaged in the process of rolling will be treated in a supplementary paper.

## 2. *Thermal Electric Power*

(Definition: "Plants and establishments primarily engaged in the production of electric energy through the use of fuel (coal) as the basic energy source.")

a. That portion of Japan's thermal electric generating capacity that is in excess of her requirements after the reduction of her industrial capacity in accordance with the remainder of this program (tentatively estimated at capacity in excess of 2.1 million kw.) will be made available for claim subject to the following limitations:

(1) In undertaking removals giving effect to this program, you will give special attention to the interrelation of hydro and thermal electric capacities, and will retain facilities, including stand-by equipment, necessary to ensure at all seasons the distribution of sufficient electric power to satisfy demands as they may be manifested in each supply area after completion of the other phases of the interim program.

(2) If, in the course of effecting these removals, you should find that thermal electric capacity reduced to 2.1 million kw. will not be adequate to meet Japan's requirements as modified by the reduced industrial demand consequent upon completion of the other phases of the interim program, you will so advise the Far Eastern Commission and will state to what total capacity Japan's thermal electric generating plants can be reduced without violating the considerations set out in (1) above.

## 3. *Soda Ash, Chlorine, and Caustic Soda Industry*

(Definition: "Plants and establishments primarily engaged in the production of soda ash (sodium carbonate), chlorine, and caustic soda (sodium hydroxide).")

a. That portion of Japan's capacity for the production of chlorine and caustic soda in electrolytic plants which is in excess of about 75,000 metric tons of chlorine and about 82,500 metric tons of caustic soda, will be made available for claim.

b. That portion of Japan's capacity for the production of soda ash that is in excess of 630,000 metric tons, will be made available for claim. Removal of this excess soda ash capacity will be accomplished by seizure of one large modern soda ash plant, together with its integrated facilities for conversion of soda ash to caustic soda."



894.30/6-1946 : Telegram

*The Political Adviser in Japan (Atcheson) to the Secretary of State*

RESTRICTED

Tokyo, June 19, 1946.

PRIORITY

[Received June 22—5:20 p. m.]

272. Remytel 261, June 11.<sup>64</sup> As Chief, Diplomatic Section, I am today forwarding the following letter to General Derevyanko, Soviet member Allied Council:

"With reference to your letter No. 40194 of 3 June 1946, addressed to the Supreme Commander, and to my letter of 14 June 1946, in reply regarding the question of Jap shipping, I feel that there are several points which I should bring urgently to your attention with the request that you in turn, as expeditiously as possible invite the attention of your Govt to them.

"You will recall that I mentioned in my letter that present repatriation plans require the use of all operable Jap ships. To make possible consideration of the final disposition of these vessels it would appear to be necessary to complete the repatriation of Japanese from abroad as rapidly as possible.

[Here follows review of repatriation developments since the Potsdam Conference of 1945.]

"I submit the opinion that the applicable terms of surrender should not be unilaterally abrogated or disregarded but should be carried out voluntarily, and as promptly as practicable, by all Allied authorities concerned. The Supreme Commander, on his part, has done all in his power to see that there is full and prompt compliance with these terms. Failure on the part of one govt or officials of one govt to offer the same measure of full cooperation as has been received from other Allied Govts to put into operation a progressive program for repatriation of Japanese may well give rise to widespread misapprehension and misunderstanding.

"It is requested, therefore, that this matter be brought urgently to the attention of your govt in order that instructions may be issued to the appropriate Soviet authorities to deliver to repatriation ports Japanese now held by them. Details of the program may readily be worked out by mutual agreement between appropriate officials of General Headquarters of the Supreme Commander for the Allied Powers and your office.

"As this matter is already before the Allied Council in some aspects, I express the hope that you may be in position to provide definite information in regard to it by the time of the next regular meeting scheduled for 26 June.<sup>65</sup> Very sincerely yours, for the Supreme Commander."

ATCHESON

<sup>64</sup> Not found in Department files.

<sup>65</sup> In despatch 492, July 9, from Tokyo, Mr. Atcheson, after noting the Soviet member's argument that repatriation in general was a subject not within the cognizance of the Allied Council, concluded: "Continued delay in reaching a settlement of this aspect of the repatriation problem forms the basis for unhealthy rumors concerning treatment of Japanese nationals in Manchuria, Siberia, and other Soviet-controlled territories, as well as exaggerated speculation regarding Soviet designs in this part of the world. Failure to settle this problem is, we believe, detrimental to American prestige in Japan and possibly elsewhere in the Far East." (740.00119 PW/7-946)

740.00119 P.W./6-2246 : Telegram

*Ambassador Edwin W. Pauley to the Acting Secretary of State*<sup>66</sup>

TOP SECRET

Tokyo, June 22, 1946—10:37 p. m.

URGENT

[Received June 22—4:30 p. m.]

CX 62311. This is Repar Tokyo 9. I have today sent the following message to Secretary Byrnes in Paris.<sup>67</sup>

“From reports I have seen, one of the prime difficulties in the present Foreign Ministers meeting is the Soviet’s claim to Italian reparations. I have just come from Manchuria where the Soviets have incapacitated Manchuria of approximately \$2,000,000,000 worth of industry by substantial stripping of strategic facilities and removal of component parts of industry in Manchuria. This they apparently excuse on the grounds that it is collection of war booty or war trophies. Certainly this removal could not be done on the theory that it was advance deliveries under future reparations settlements, as the Soviet Government cannot possibly sustain in international negotiations any substantial claim to reparations from Japan and certainly not from China.

From the official war record let me quote the following chronology of the war against Japan: August 6, first atomic bomb dropped on Hiroshima. August 9, Russia declared war on Japan. August 10, world received news of Japan’s acceptance of the Potsdam ultimatum in late evening. August 11, General MacArthur acknowledged the news of Japan’s acceptance. August 15, General MacArthur’s first message to the Japanese Government. August 19, C-54 plane carrying Japanese delegation arrived in Manila. September 2nd, formal signing of surrender terms.

It would seem to me that any premise of war booty must be based upon the fact that it would go to the country capturing, conquering, or occupying an enemy country, not one liberating an Allied country. If this theory prevails, three-fourths of all of Germany’s industry and all of Italian industry then belongs to the United States and the United Kingdom.

May I suggest as a possible solution, that the United States and the United Kingdom assert title to everything including all industry in Italy on the theory of war booty; then reconvey title to the Italian people thereby bypassing any claim the Soviets might assert. We captured practically all of the area we now occupy in Germany plus

<sup>66</sup> Sent through military channels to President Truman, Acting Secretary of State Acheson, Justin R. Wolf (member of Mr. Pauley’s staff, Washington), and General MacArthur.

<sup>67</sup> The Secretary of State was attending meetings of the Council of Foreign Ministers at Paris, June 15–July 12. See also Ambassador Pauley’s letter of June 22 from Tokyo to President Truman, p. 706.

nearly half the territory the Soviets now occupy. The Soviets are most interested in receiving reparations from the Ruhr and other western zones. I further suggest that the United Kingdom, France and ourselves withhold any deliveries from the western zones in Germany on the theory that we are entitled to all of it from the war booty standpoint (following Soviet Manchurian policy). If Soviets claim Manchurian removals have been taken in the form of reparations, then they have taken equities in Manchuria belonging to the United States, the United Kingdom, China, and France. All of these countries have an equity in this equipment in the form of Japanese external assets, and three of these are the same countries occupying the western zones of Germany. Therefore, an accounting must be had.

I am convinced that the Soviet Government have taken more from Manchuria that did not belong to them than they have coming from the western zone of Germany. A report we are now compiling will give accurate figures on this subject.

For your own information, not only did the Soviet Government strip industry and incapacitate it delaying economic rehabilitation of the Far East for many years, but they have endangered the lives of many millions of people by creating a condition favorable [*favorable?*] for widespread epidemics, and have permanently impaired the development of natural resources so badly needed in the war torn hungry world by removing vital power equipment in strategic areas needed to supply water and to maintain sewage systems and to prevent mines from flooding. All of this done in Manchuria, and none of it in northern Korea where their pattern is different and where we notice no substantial removals."

[PAULEY]

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740.00119 Council/6-2546 : Telegram

*The Acting Secretary of State to the Secretary of State, at Paris*

SECRET

WASHINGTON, June 25, 1946—3 p. m.

US URGENT

3052. Secdel 339. For the Secretary. For your info and guidance Hilldring and Galbraith presented following US "Proposal Regarding Japanese External Assets as Factors in the Japanese Reparations Settlement" which has been approved by SWNCC, to Soviet Ambassador <sup>68</sup> June 24, p. m. Impression gained that Novikov's personal view was that proposal appeared practical and might contribute to prompt handling of reparations problem as a whole. He

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<sup>68</sup> Mr. Novikov had become Ambassador on June 3.



will forward proposal to Moscow and to Molotov, Paris. He did not indicate whether he would suggest Molotov initiate discussion in Paris; Hilldring agreed his view that matter could best be handled here in Washington and expressed the opinion you would not bring matter up in Paris.

"1. No distinction should be made between war booty and other types of Japanese external assets as they may be applied to the fulfillment of recognized and approved national reparations claims, providing that simultaneous agreement be reached that:

(a) All countries at war with Japan may retain all types of Japanese property, supplies, or equipment, military, quasi-military, or civilian, under their administrative control, existing within their territories on the date of Japanese capitulation, or removed to their countries prior to 1 June 1946, and that no unilateral removals will be made by any country after that date;

(b) Japanese external assets as defined in (a) above should be offset against total national percentage shares of total Japanese assets, both those within Japan declared available for reparations and those outside Japan; and

(c) All countries at war with Japan should supply to the Japanese reparations agency inventories of all types of Japanese property, supplies, or equipment, military, quasi-military, or civilian, held by them except for military supplies and equipment actually destroyed.

2. Prior to submittal of the above conclusions for inter-allied consideration, the United States should secure the agreement of the Government of the Union of Soviet Socialist Republics to the propositions that:

(a) Paragraphs 1 (a), (b), and (c) are to be accepted as the policy of the two Governments;

(b) All Japanese assets at present in Korea are to be retained in Korea and held in trust for the benefit of the Korean people;

(c) The two Governments will inform the Far Eastern Commission of those decisions and, if the Union of Soviet Socialist Republics so desires, will jointly suggest that Japanese assets in Korea retained temporarily within the administrative control of the United States and the Union of Soviet Socialist Republics should not be offset against the total reparations allotments to the United States and the Union of Soviet Socialist Republics; and

(d) The proposals here made shall be limited in their application to Japanese assets and not be construed as a waiver of claim to property of United States nationals seized as war booty."

Sent to Paris for the Secretary and repeated to Moscow.<sup>69</sup>

ACHESON

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<sup>69</sup> As telegram No. 1162.

740.00119 P.W./6-2746

*Memorandum of Conversation, by Mr. Robert W. Barnett, of the  
Division of Japanese and Korean Economic Affairs*

SECRET

[WASHINGTON,] 25 June 1946.

Subject: United States Proposal Regarding Japanese External  
Assets

Participants: Maj. Gen. J. H. Hilldring  
Mr. J. K. Galbraith  
Mr. R. W. Barnett  
Ambassador N. V. Novikov  
Mr. A. P. Korobochkin

On 24 June 1946 General Hilldring opened a conversation on reparations from Japan with the Soviet Ambassador by saying that the United States Government regretted past delays and desired to hasten a prompt settlement. One of the obstacles to agreement on the method of handling reparations was external assets, including the problem of war booty. He said that he hoped that exploratory discussions of a United States proposal on this matter might be fruitful. It was the United States view, he said, that once the question of external assets could be settled, then the likelihood of agreement on terms of reference for a reparations agency would be greatly improved. When terms of reference were adopted the United States intended to appoint a man of the ability and standing of Mr. James Angell to devote himself to the task of handling, promptly and comprehensively, all aspects of the reparations question.

Having heard these preliminary points made by General Hilldring, Mr. Novikov interjected to say that he had received his instructions as to the USSR proposal for terms of reference of a reparations committee. He said that while he read our proposal we could be reading his. He hoped that the Soviet terms of reference would appear reasonable to us.

After having read, aloud and very slowly, the United States proposal regarding Japanese external assets, Mr. Novikov asked two questions. The first question arose from a misunderstanding as to the meaning of paragraph 2(c) in which it is stated that the United States Government would join with the USSR in suggesting that Japanese assets in Korea not be deducted from the total reparations allotments to the United States and USSR. Mr. Novikov had not understood that this applied only to assets in Korea. His second question was, he said, prompted by newspaper reports that the Russians had removed considerable property from Manchuria and northern Korea. If those assets exceeded in value the recognized and approved Soviet claim for reparations, would the Soviet Union, he asked, be

required to return any of those assets. Mr. Barnett stated that the language of the proposal assured all countries that they would retain assets within their territories or removed to their territories prior to 1 June. Rough and preliminary U.S. estimates of claims which might be submitted by claimant countries, he said, seemed to indicate that the value of assets now held by the Soviets might not appreciably exceed the Soviet claim as approved by the reparations agency. Whether or not it did could not be determined until all the facts, particularly those embodied in inventories of external assets, had been made available. Mr. Novikov agreed that that undoubtedly would be the case.

Mr. Novikov summarized his view of the United States proposal by saying that it was practical and simple and in many ways appealed to him very much. It was, he said, a very serious and deep document which required thorough study. He realized that the United States Government would like to have the Soviet view as soon as possible and it was his intention to scrutinize the proposal, to formulate his own comments and recommendations, and to forward them to Mr. Molotov and the Soviet Government as soon as possible.

Mr. Novikov was interested to know whether or not Mr. Byrnes would raise the question of Japanese reparations in Paris. General Hilldring said that he had no way of knowing what subjects Mr. Byrnes might discuss informally in the course of his days in Paris, but that when leaving Washington Mr. Byrnes had been informed that General Hilldring would make advances to Ambassador Novikov with a view to settling in Washington outstanding issues involved in the Japanese reparations problem. At that time Mr. Byrnes endorsed the action General Hilldring proposed to take, but gave no intimation that he, himself, would raise the issue in Paris. Mr. Novikov was pleased to have clarified the facts that Mr. Byrnes was not intending initiate discussion in Paris but was informed of the proposal now in his hands.

Mr. Novikov then inquired what our initial reaction was to the Soviet terms of reference for the reparations committee. Mr. Galbraith pointed out that external assets had been excluded entirely from the terms of reference and that not only the United States but many other members of the Far Eastern Commission considered it impossible to reach a reparations settlement unless dealing with both Japanese external assets and assets within Japan. Mr. Novikov stated that he believed acceptance of the Soviet terms of reference would enable the reparations committee to handle an immediate problem immediately while not closing the door to consideration of the problem of external assets at a later time. Mr. Galbraith felt that the Soviet terms of reference, if augmented by the United States proposal for a policy dealing with external assets, would enable a reparations agency to



complete a comprehensive reparations settlement immediately. General Hilldring stated that it was his view that the reparations problem could not be handled piecemeal and that terms of reference which excluded external assets would be unacceptable to many countries. Mr. Novikov attempted to support the Soviet terms of reference as a measure of expediency but seemed to recognize the lack of logical support for his stand.

Mr. Novikov said that the Soviets would present their terms of reference to the reparations committee at its next meeting for comment by other countries. He would notify General Hilldring as soon as he had received a reply from Moscow or Paris regarding the United States proposal on Japanese external assets.

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740.00119 PW/7-1246

*Memorandum by the State-War-Navy Coordinating Committee to the  
Secretary of State*

TOP SECRET  
SWN-4541

WASHINGTON, 12 July 1946.

Subject: War Booty

References: a. SWNCC 310  
b. SWNCC 310/1

By informal action on 12 July 1946, the State-War-Navy Coordinating Committee approved SWNCC 310 after amending, a copy of which is enclosed.

It is requested that the Department of State reach an agreement with the Union of Soviet Socialist Republics on the conclusion in paragraph 4 *b* of the approved paper and that upon attaining such agreement, the Department of State request the United States member of the Far Eastern Commission to present the conclusion in paragraph 4 *a* to the Commission.<sup>70</sup>

For the State-War-Navy Coordinating Committee:

J. H. HILLDRING,  
*State Department Member*

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<sup>70</sup> Notation by Ernest A. Gross, Special Assistant to the Assistant Secretary of State for Occupied Areas (Hilldring): "Pursuant to informal SWNCC clearance, discussions have been held between General Hilldring and the Ambassador of USSR. Secretary of State authorized these discussions prior to his departure for Paris. EAG". For conversation on June 24, see memorandum dated June 25, *supra*. In a memorandum of July 17, the Secretary of SWNCC (Moseley) asked that General McCoy be notified "when such an agreement has been reached" with the Soviet Ambassador; for the Department's reply, see memorandum of September 25 by Mr. Martin to Mr. Moseley, p. 569.

## [Annex]

WAR BOOTY <sup>71</sup>

## THE PROBLEM

1. To determine the United States position with respect to war booty and other external assets as factors in the Japanese reparations settlement.

## FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

## DISCUSSION

3. See Appendix "B".

## CONCLUSION

4. It is concluded that:

*a.* No distinction should be made between war booty and other types of Japanese external assets as they may be applied to the fulfillment of recognized and approved national reparations claims, providing that simultaneous agreement be reached that:

(1) All countries at war with Japan may retain all types of Japanese property, supplies, or equipment, military, quasi-military, or civilian, under their administrative control, existing within their territories on the date of Japanese capitulation, or removed to their countries prior to 1 June 1946, and that no unilateral removals will be made by any country after that date.

(2) Japanese external assets as defined in *a* above should be offset against total national percentage shares of total Japanese assets, both those within Japan declared available for reparations and those outside Japan; and

(3) All countries at war with Japan should supply to the reparations agency for Japan inventories of all types of Japanese property, supplies, or equipment, military, quasi-military, or civilian, held by them except for military supplies and equipment actually destroyed.

(4) The proposals here made shall be limited in their application to Japanese assets and not be construed as a waiver of claim to property of United Nations Nationals seized as war booty.

*b.* Prior to submittal of the above conclusions for inter-allied consideration, the United States should secure the agreement of the Gov-

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<sup>71</sup> SWNCC 310, June 17, as revised July 12, was based on a study representing State Department views submitted to SWNCC for approval; this was received on July 12.

ernment of the Union of Soviet Socialist Republics to the propositions that:

(1) Paragraphs 4 *a* (1), (2), and (3) [(3), and (4)]<sup>72</sup> are to be accepted as the policy of the two governments;

(2) All Japanese assets at present in Korea are to be retained in Korea and held in trust for the benefit of the Korean people; and

(3) The two governments will inform the Far Eastern Commission of those decisions and, if the Union of Soviet Socialist Republics so desires, will jointly suggest that Japanese assets in Korea retained temporarily within the administrative control of the United States and the Union of Soviet Socialist Republics should not be offset against the total reparations allotments to the United States and the Union of Soviet Socialist Republics.

#### RECOMMENDATIONS

5. It is recommended that:

*a.* Upon approval of this paper by the SWNCC, the State Department be requested to reach an agreement with the Union of Soviet Socialist Republics on the conclusion in paragraph 4 *b* above; and

*b.* Upon the attainment of such an agreement, the United States member of the Far Eastern Commission be requested to present the conclusion in paragraph 4 *a* above to the Commission.

[Subannex 1]

#### APPENDIX "A"

#### FACTS BEARING ON THE PROBLEM

1. The position of the U.S. Government in regard to "War Booty" has been expressed in several communications and papers, including the following:

*a.* Telegram No. 27 of January 4, 1946 to Chungking:<sup>73</sup> "Hague Regulations Land Warfare 1907"<sup>74</sup> to which China adhered 1917 provide in article 53 limitations on war booty regarded by Dept as valid (urtel 2226, Dec 27<sup>75</sup>). Only (1) movable, (2) government owned property, (3) susceptible of military use, for example cash, arms depots, means of transport, may properly be treated as war booty aside from battlefield booty. All three conditions must be met. In general private property may be taken only if paid for or returned later. Undoubtedly complexities of Jap and puppet ownership and

<sup>72</sup> Correction based upon revision by SWNCC on July 23, reported in its SWN-4599, July 23, not printed (740.00119 P.W./7-2346).

<sup>73</sup> *Foreign Relations*, 1945, vol. VII, p. 1423.

<sup>74</sup> *Ibid.*, 1907, pt. 2, p. 1216.

<sup>75</sup> *Ibid.*, 1945, vol. VII, p. 1421.



corporations will make final determination difficult but rule above is only feasible guide."

b. Telegram 392 March 5 to Moscow: <sup>76</sup> "This Govt does not accept any interpretation of war booty to include industrial enterprises, or the components thereof, such as Jap industries and equipment in Manchuria, and it therefore cannot accept the assertion made by the Soviet Govt, as reported by the Chinese Govt, that these industrial enterprises are subject to consideration as war booty. As stated in this Govt's previous note, the ultimate disposition of Jap external assets such as the industries of Manchuria is a matter of common interest and concern to those Allies who bore the major burden in defeating Japan. The U.S., as a major participant in the war against Japan, cannot recognize any final disposition made of Jap external assets, including industrial property, either by the Soviet Govt or by agreement between the Soviet and Chinese Govts, without its prior approval; and it cannot agree to the removal of industrial properties from Manchuria as war booty and if any such properties have been so removed it will expect to receive a full accounting thereof."

c. Telegram 416 of March 7 to Moscow: <sup>77</sup> "The US Govt regards as unprecedented and inequitable the Russian contention that enterprises in Manchuria which served the needs of the Jap Army constitute trophies of the Red Army. Jap external assets in the form of industrial enterprises in Manchuria are on the territory of a friendly Ally which eight years resisted Jap aggression. The U.S. Govt can find no justification for the Russian contention that consideration of those industrial enterprises are reparations is a subject separate from the question of war trophies. As a matter of fact, the US Govt has already informed the Chinese Govt and the Soviet Govt of its position that title to all Jap-owned property in countries at war with Japan and invaded or occupied by the Japanese shall be taken by the country in which such property is physically located with its value charged against that country's reparations claim. It hopes to receive Soviet concurrence in this position."

d. FEC 014/1 of 11 April 1946 contains the following paragraphs on which the United States made no reservations: "Part IV—Economic, paragraph 4. Reparations and Restitution: *Reparations*. Reparations for Japanese aggression shall be made:

a. Through the transfer—as may be determined by the appropriate Allied authorities—of Japanese property located outside of the area to be retained by Japan."

"Part IV, Economic, paragraph 7:

7. Japanese Property located Abroad.

<sup>76</sup> Vol. x, p. 1113.

<sup>77</sup> *Ibid.*, p. 1115.

Existing Japanese external assets and existing Japanese assets located in territories detached from Japan under the terms of surrender, including assets owned in whole or part by the Imperial Household and Government, shall be disclosed to the occupying authorities and held for disposition according to the decision of the Allied authorities."

e. Memorandum of May 22, 1946 by Mr. Yingling <sup>78</sup>—Le: "Subject: Definition of 'War Booty'. It seems to me that it would be unwise to attempt to formulate a definition of 'war booty' for use in possible discussions with the Soviet Government. Assuming that such a definition could be agreed upon it is unlikely that it would have any moving effect on the Soviet authorities. I believe that it would be better to consider questions of war booty with the Soviet Government on an *ad hoc* basis.

"Aside from the provisions of the fourth Hague Convention respecting the laws and customs of war on land,<sup>79</sup> it is doubted that there is anything which could be considered international law on the subject of war booty. The provisions of the convention referred to could be used by the Department without further definition. One of the disadvantages of a definition by the Department is that it would not of itself have any authority as law and yet it might be used against us now or at some future time.

"The idea of attempting to formulate a legal definition, having in mind justification of what this Government has done, does not appeal to me as a proper approach to the subject."

2. The Soviet attitude on the subject of war booty may be illustrated by the following excerpts:

a. Telegram 650 of March 5 from Moscow: <sup>80</sup> ". . . the question of reparations is subject to consideration separate from the question of war trophies. 1. Molotov defines as 'war trophies' any property which 'served the needs' of Kwantung Army and maintains that such property does not come into question from standpoint of reparations."

b. Conversation with Mr. Novikov of March 19: "1. Acting under instructions to obtain the views of the USSR concerning the grounds for their objection to inclusion of the phrase 'seizure and disposition of Japanese overseas property and investments' in the agenda of the Reparations Committee; to obtain, if possible, an expression of views from the USSR concerning a proper method of handling the reparations problem, we were entitled, I believe, to come away with the following impressions.

"2. Mr. Novikov objected to the phrase because it implied FEC jurisdiction beyond Japan's Main Islands. In practical terms, the

<sup>78</sup> Raymund T. Yingling, Assistant to the Legal Adviser.

<sup>79</sup> Signed at The Hague, October 18, 1907, *Foreign Relations*, 1907, pt. 2, p. 1204.

<sup>80</sup> Vol. x, p. 1112.

objection derived from opposition to an FEC operation which might entail survey, investigation, recording, and reporting of Japanese assets outside of Japan. While such operations were probably necessary in connection with determining the final reparations settlement, they should not, he maintained, be carried out by the FEC, but through normal diplomatic channels."

c. Conversation with Mr. Novikov of March 21: "Mr. Novikov in commenting upon the paragraph dealing with the functions of the committee with respect to external assets pointed out the futility in his judgment in attempting to assign such responsibilities to this committee so long as the issue, particularly in reference to Manchuria, was being negotiated at a much higher level. His objection was recognized and it was suggested that alternative wording might be substituted which avoided that issue until there had been governmental decision, and which thus left the committee free to proceed on the matters clearly within its scope.

"Mr. Novikov again reiterated his argument that external assets must be taken into account in allocating internal assets and that reports from the countries on the Commission with respect to the value of Japanese assets available to them as reparations could appropriately be secured by a committee within the Commission."

d. Conversation with Mr. Novikov of April 17: "Mr. Novikov remarked that: (1) The Soviet Government had not replied to his request for comment or instructions and presumed that the matter remained a matter for study in Moscow; (2) He could not, of course, object to presentation of its proposal to the FEC by the United States and, in fact, believed that an airing of views in the FEC might be most desirable; (3) He had serious doubts that the FEC was the proper agency before which to negotiate the manner for handling reparations and believed that Mr. Molotov might, in Paris, raise the matter for discussion there; (4) His present views on the matter of handling reparations were only his own and had no standing officially. Nevertheless, his own views were: (a) That the reparations operations included disposal of Japanese assets both within and outside of Japan."

e. Telegram 1306 of April 23 from Moscow:<sup>81</sup> "3. Of Japanese property located on former Japanese territories or on territories occupied by Japan only that portion should not be included in reparations which enters into the category of war trophies."

f. Conversation with Mr. Korobochkin of May 7: "3. Mr. Korobochkin commented on the United States proposal before the Far Eastern Commission in the following sense: (a) In general, the USSR

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<sup>81</sup> *Ante*, p. 492.



does not object to the United States proposals. (b) He suggested that reference to Japanese assets to be returned as restitution be covered in a separate paragraph. The reference to war booty should be included in a similar manner. (c) USSR considers it appropriate to include all Japanese property and assets mentioned in the Potsdam Declaration as available for withdrawal in reparations transfers from Japan. (d) Categories of property and assets specifically mentioned by Mr. Korobochkin as proper for reparations removals included armaments, ships, transportation equipment, industrial facilities, industrial raw materials, gold, precious metals, foreign exchange and securities. (e) War trophies or war booty should not be considered as available for reparations removal. (f) Assets other than war booty located in areas outside of Japan would be considered in various categories by the Soviet Government at a later time. (g) The USSR agrees that Japanese assets in territories occupied by Japan but areas which had not participated in the war against Japan, and assets in neutral countries, should be considered as available for distribution as reparations. (h) The Soviet Government regards the disposition of Japanese assets in Korea as a subject proper for discussion by the Reparations Committee."

*g.* FEC 014/2 of May 13, contains Soviet proposals regarding FEC 014/1; it makes no comment whatever upon Part IV, paragraphs 4 and 7 (quoted in paragraph 1 *d* above) and hence by implication accepts these statements.

3. The Chinese position is complicated by application of war booty theories in reoccupied areas other than Manchuria. In such areas Chinese military authorities have been pursuing a course very similar to that of the Russians with full recognition, however, on the part of the central government that their position is necessarily limited by their rejection of the actions of the Russians in Manchuria. The view of the Chinese Government on the latter is summarized in telegram 392 of March 5 to Moscow: "... that the Chinese Govt considers the claim of the Soviet Govt as far exceeding the scope of war booty as generally recognized by international law;".

4. The British position is indicated in telegram 2789 of March 9 from London,<sup>82</sup> of which the following is an excerpt: "Roberts<sup>83</sup> is also instructed to add that in absence of agreement resulting from such discussion HMG regard it as appropriate that the state in whose territory they are located should retain such assets on a custodian basis to be debited against that state's eventual share of Jap reparations. HMG cannot acquiesce in unilateral removal of assets by third party nor can they recognize any agreement between individual govts which

<sup>82</sup> Vol. x, p. 1116.

<sup>83</sup> Frank K. Roberts, British Chargé in the Soviet Union.

purports to arrange for final disposal and ownership of Jap property rights, interests and assets."

[Subannex 2]

## APPENDIX "B"

### DISCUSSION

1. War booty has become a major stumbling block in the handling of a Japanese reparations settlement. The views of the United Kingdom, United States, and Union of Soviet Socialist Republics regarding Japanese properties in Manchuria have proved irreconcilable. At present, the problem involves not only actual properties which might be applied to the reparations settlement, but also Soviet concepts of national honor and prestige.

2. China is the only country which suffers directly and immediately from the Soviet removal of industrial equipment from Manchuria as war booty. Other countries suffer indirectly, to the extent that any allocation of assets from within Japan to Russia reduces the total amounts upon which other countries can draw and to the extent that Russia's broad definition of war booty creates an undesired precedent in the future of warfare. The Chinese indicate at the present time far less interest in the solution of the war booty controversy than do either the United Kingdom or the United States. This growing indifference may be explained in terms of a practical recognition of the unlikelihood that Russia will disgorge industrial equipment already seized as war booty; a growing feeling that Manchuria should not be too heavily industrialized; and a strong desire to expedite transfers of those assets from within Japan which can improve the national welfare and strengthen the national economy of China.

3. A distinction should be drawn between the legal-political and reparations aspects of the problem of war booty. However proper and supportable the United States-United Kingdom view on how war booty should be defined, it is improbable that it can be forced upon the Union of Soviet Socialist Republics in such a way as to produce disgorging of what the Union of Soviet Socialist Republics has already removed. What might be accomplished through pressing the definition is the firm establishment of a United States-United Kingdom legal position. If the political advantages of following such a course are sufficiently great to delay indefinitely a Japanese reparations settlement or to exclude the Union of Soviet Socialist Republics from that settlement, the United States-United Kingdom legal position should be inflexibly supported. However, if prompt advances in the reparations settlement with Russian participation are desired, then the conclusions of this paper should be adopted. The funda-



mental decision, in short, is whether the legal-political aspects of the war booty problem as presented in Manchuria exceed in importance the reparations settlement. It is considered that they do not and that the conclusions of this paper should be adopted as contributing materially to progress in making transfers of those Japanese assets within Japan, and within the neutral countries available for reparations and thus speeding the reconstruction and rehabilitation of war devastated areas in reparations claimant countries. The Secretary of State has approved the conclusion of the paper from the political point of view.

4. What is proposed is that all Japanese assets, military, quasi-military, or civilian in character, irrespective of whether or not defined as war booty, which are found in countries at war with Japan, or which have fallen under the administrative control of active belligerents should be considered Japanese "external assets". The Legal Adviser to the Secretary of State can find no legal objection to so doing. Having adopted that principle, it is proposed that full inventory of such assets be prepared by reparations claimant countries and submitted to the Japanese reparations agency. It is further proposed that such assets, whether in the territories of such countries on 2 September 1945 or subsequently removed there by one of the belligerents, should be retained by the country in whose territory they now are and should be applied against the fulfillment of the full reparations claim submitted by the claimant country. In effect, such a program would mean that India, China, the Netherlands, etc., would report military and quasi-military equipment by their own definition at the same time that they reported other Japanese assets in their territories. The Russians would make a similar report, the difference being that by their definition industrial property would be listed under the military and quasi-military category rather than under the category of strictly civilian external assets. In both cases, the total amounts reported would be applied against the reparations allocation. This policy would place Japanese military equipment found by United States forces on the China coast, in the Philippines and on the Islands of the Pacific within the United States reparations allotment. However, a large part of such equipment will have been destroyed, and it is proposed that no accounting is necessary for military and quasi-military equipment and supplies actually destroyed, thus providing, incidentally, inducement to destroy Japanese military equipment, which would be in accord with United States policy.

5. The problem of Korea is a delicate one, since it is the United States position that assets found in Korea should be retained by the Korean people. The temper of the Far Eastern Commission at the present time is one which would not favor considering liberated Korea



as a reparations claimant country. Hence, the Union of Soviet Socialist Republics and the United States should agree bi-laterally to retain in Korea all Japanese assets at present there and to hold them in trust for the benefit of the Korean people.

It is immaterial to the United States whether or not Japanese assets in southern Korea are applied against the total United States reparations apportionment. The United States claim will be so large, and its insistence upon recognition of priority for fulfillment of claims for occupation costs will be so clear, that application of assets in southern Korea to the total United States claim will not materially affect vital United States interests. The Russians, on the other hand, may regard application of the same principle in their case as a device to deprive them of any possible claim upon assets within Japan. They will not want to be penalized for benevolence in Korea. If, however, it is made clear to the Russians that the United States is ready to associate itself with the Russians in a request to the Far Eastern Commission that Japanese assets being retained temporarily within the administrative control of both the United States and the Union of Soviet Socialist Republics in Korea should not be offset against total reparations allotments to those two countries, the Union of Soviet Socialist Republics may be willing to accept the general principles of this paper.

6. Adoption in the FEC of the above conclusions should be urged only if it is perfectly clear that the Russians in good faith can give assurances that full inventory of all types of military, quasi-military and civilian Japanese property will be supplied prior to an allotment, if any, of Japanese assets from within Japan to the Union of Soviet Socialist Republics. An assurance from the Union of Soviet Socialist Republics on this point, as well as regarding Japanese assets in Korea, should be a precondition for submittal of the conclusions of this paper to other members of the FEC.

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894.30/7-1346

*The Soviet Ambassador (Novikov) to the Acting Secretary of State*

[Translation]

The Ambassador of the Union of Soviet Socialist Republics presents his compliments to the Acting Secretary of State and has the honor to communicate the following on instructions from the Soviet Government:

In a letter of the Vice Minister for Foreign Affairs of the Union of Soviet Socialist Republics Lozovski of June 1 addressed to the American Ambassador in Moscow, Mr. W. B. Smith, it was pointed out that

in accordance with the proposal of the Government of the United States of America, set forth in the letter of the American Chargé d'Affaires, Mr. Kennan, of April 5, 1946, the Soviet Government had instructed the member of the Allied Council for Japan, Lieutenant General Derevyanko, to approach the Supreme Commander of Allied Forces in Japan concerning the allocation of a part of the Japanese naval vessels and merchant ships under his control to fulfill the tasks relating to the accomplishment of the capitulation of Japan in the areas occupied by troops of the Red Army. It has now become known that the member of the Allied Council, Lieutenant General Derevyanko, received on June 17 from General MacArthur's headquarters a letter signed by Mr. Atcheson with a negative answer to the approach to the Supreme Commander on this question. In Mr. Atcheson's letter it is pointed out that the Supreme Commander General MacArthur has no instructions from his government concerning the allocation of former Japanese vessels to the Soviet Command.

It is further communicated in the letter that in order that the Supreme Commander may decide the question of disposition of Japanese vessels, he must be informed concerning the specific aims for the fulfillment of which these vessels are required by the Soviet Command.

In communicating the foregoing to the State Department, the Embassy cannot fail to express surprise at such an answer by the Deputy of the Supreme Commander, Mr. Atcheson, particularly since the Government of the United States of America has recognized that it is necessary to allocate a part of the former Japanese vessels to the Soviet Command prior to their final division and has recommended that this question be taken up with the Supreme Command.

The Embassy of the Union of Soviet Socialist Republics is confident that instructions will be issued by the Government of the United States to the Supreme Commander in Japan, General MacArthur, concerning the allocation by him of a part of the former Japanese vessels for the fulfillment of tasks connected with the accomplishment of the Japanese surrender in the areas occupied by troops of the Red Army.

WASHINGTON, July 13, 1946.

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740.00119 PW/7-1846

*The Secretary General of the Far Eastern Commission (Johnson) to  
the Secretary of State*

WASHINGTON, 18 July 1946.

MY DEAR MR. SECRETARY: The Terms of Reference of the Far Eastern Commission provide that one of the functions of the Commission should be to "formulate the policies, principles and standards in con-

formity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished."

It is further provided that when such decisions are made by the Far Eastern Commission, "The United States Government shall prepare directives in accordance with the policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government agency."

At the twentieth meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D.C., on 18 July 1946, the enclosed policy decision relative to Restitution of Looted Property, was unanimously approved.<sup>84</sup>

As Secretary General of the Far Eastern Commission, I have been instructed to forward this decision to you on behalf of the Commission, in order that the appropriate directives may be prepared and transmitted to the Supreme Commander in accordance with the Terms of Reference.<sup>85</sup>

In giving his approval to the statement of policy enclosed, the United States representative requested that the following statement be included in the minutes of the Commission meeting, and the Commission agreed to its inclusion:

"At the 23rd meeting of *Committee No. 1: Reparations* the U.S. member agreed to the rejection of his amendment for the insertion of the words 'by the Supreme Commander for the Allied Powers' in paragraph 1 and 2 of the document but asked that it be recorded in the minutes of the committee and subsequently in the minutes of the Commission meeting that it is recognized that The Supreme Commander for the Allied Powers is the final implementing authority of policy decisions of the Far Eastern Commission."

Attention is invited particularly to paragraphs 9 and 10 of the enclosed policy decision, in which the Commission requests the United States Government "to forward this statement of policy through the usual channels to States which are not represented on the Far Eastern Commission and within whose territories such looted objects may be found." The Commission would appreciate, I am sure, information as to action taken in this connection.<sup>86</sup>

Respectfully yours,

NELSON TRUSLER JOHNSON

<sup>84</sup> See footnote 60, p. 528.

<sup>85</sup> On July 22 General Hildring transmitted a draft directive (based on FEC-011/12, July 18) to SWNCC to be forwarded to the Joint Chiefs of Staff for SCAP, as requested. On October 10 the Far Eastern Commission slightly revised the policy decision; for text, see *Activities of the Far Eastern Commission*, p. 83. This was sent as a directive, Serial 61, October 16, to SCAP, with instruction that the FEC wished it to be released to the press 48 hours after receipt in Tokyo. (740.00119 P.W./10-1046)

<sup>86</sup> The Siamese Legation and Portuguese Embassy were informed in notes of August 12 and Tokyo was informed on August 23.



894.30/7-1346

*Memorandum by the Assistant Chief of the Division of Japanese Affairs (Emmerson) to the Deputy Director of the Office of Far Eastern Affairs (Penfield)*

[WASHINGTON,] July 19, 1946.

Subject: Attached note from the Soviet Embassy<sup>87</sup> regarding the disposition of Japanese combatant vessels.

The Soviet Embassy's note refers to Mr. Kennan's letter of April 5 to Lozovski but ignores the supplementary communication made in a letter to Lozovski dated May 8. In asking that this supplementary note be communicated to the Soviet Government, the JCS stated that they were "apprehensive that the phrasing of the note which has been communicated to the Government of the USSR [letter of April 5 referred to above]<sup>88</sup> may invite the submission of arbitrary demands for shipping for undisclosed or vague purposes which may be a source of embarrassment for SCAP and the United States". (SWNCC 186/13).

In his letter to General MacArthur of June 3, General Derevyanko did what JCS had feared when he submitted a list of vessels which he asked be turned over to the Soviet Command "for the execution of problems concerning the complete capitulation of Japan in regions occupied by the Soviet armies". Mr. Acheson replied on June 14 that SCAP had not received instructions relative to the final disposition of Japanese naval and merchant vessels, that such ships were now being used for repatriation purposes, and that no allocations of ships to the Soviet Command could be made until SCAP had been "informed as to the specific purposes for which the use of Japanese shipping is required by the Soviet Command." (Tokyo despatch No. 483, July 2).<sup>89</sup>

The Soviets claim that they submitted information regarding Japanese shipping in their possession in a letter addressed by General Derevyanko to SCAP on April 12. SCAP comments that this letter "is too general in terms to be helpful" (CM-IN-2173, 11 June 1946).

The problem is briefly as follows: The U.S. Government has agreed that it is appropriate to assign Japanese vessels to repatriation work and other tasks connected with the implementation of the Japanese surrender in areas occupied by Soviet forces and has suggested that

<sup>87</sup> Dated July 13, p. 555.

<sup>88</sup> Brackets appear in the original.

<sup>89</sup> Not printed.

the Soviet member of the Allied Council request SCAP to assign Japanese vessels to these tasks. (SWNCC 186/12).

However, the U.S. Government has also made it clear that a request for assignment of Japanese vessels to Soviet areas should be accompanied by sufficient data "both as to the amount of captured Japanese shipping already in the possession of the Soviet command and as to the purposes for which additional Japanese shipping is required by the Soviet command." (SWNCC 186/13).

The Soviets have now requested the assignment of Japanese vessels and claim that they have submitted data regarding the amount of Japanese ships in their possession and describe the purpose for which the shipping is required as "the execution of problems concerning the complete capitulation of Japan in regions occupied by the Soviet armies".

A reply to the Soviet Ambassador along the following lines is suggested:

The Secretary of State presents his compliments to His Excellency the Ambassador of the Union of Soviet Socialist Republics and has the honor to refer to his note of July 13, 1946 regarding the assignment of Japanese vessels to fulfill tasks related to the surrender of Japan.

The Ambassador's attention is called to the communication made to the Vice Minister for Foreign Affairs by the United States Embassy in Moscow on May 8 in which it was stated that "a request for the assignment of Japanese vessels, in addition to those now in possession of the Soviet command, for repatriation of Japanese nationals and other purposes connected with the implementation of the Japanese surrender, should be accompanied by sufficient data, both as to the amount of captured Japanese shipping already in the possession of the Soviet command and as to the purposes for which additional Japanese shipping is required by the Soviet command, to permit the Supreme Commander for the Allied Powers to make an equitable assignment of vessels, from total available resources recovered from the Japanese, to the various tasks to be accomplished."

While General Derevyanko conveyed certain information to SCAP regarding Japanese vessels now in the possession of the Soviet Command, incidental to discussions of repatriation from and to Northern Korea, complete and specific information was not provided. Furthermore SCAP has not been furnished specific information regarding the tasks to be performed by the Japanese vessels requested by the Soviet Government, lacking which he cannot make an allocation which will fulfill the exact requirements to be met and will at the same time take into consideration the problems of repatriation and implementation of the Japanese surrender in all areas of the Far East.

800.00 Summaries/7-2646 : Circular telegram

*The Secretary of State to Certain Diplomatic Officers*<sup>90</sup>

CONFIDENTIAL

WASHINGTON, July 26, 1946—1 p. m.

US member presented Far Eastern Commission proposal that FEC sponsor reparations conference for Japan. Proposed eleven member countries attend conference to be convened not later Aug 15, 1946 remain continuous session until agreement reached on 1) Final establishment character extent Jap assets available reparations 2) final establishment shares be apportioned claimant countries 3) procedure by which claimant countries obtain assets they desire 4) establishment internatl machinery for resolving disputes and for liaison with SCAP. Decisions reached to accord with Potsdam Declaration FEC policies and declared objectives occupation.

BYRNES

740.00119 PW/8-146 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

CONFIDENTIAL

MANILA, August 1, 1946—2 p. m.

[Received August 1—2:30 a. m.]

132. Department's circular infotel July 26. For your information Roxas<sup>91</sup> instructed Romulo<sup>92</sup> attend reparations conference but directed him ask United States Government to press reparation claims behalf Philippines, in accordance with general understanding we have long had that United States was legal claimant for Philippine reparations especially in light of Philippine rehabilitation act.<sup>93</sup>

McNUTT

<sup>90</sup> At Canberra, London, Manila, Moscow, Nanking, Paris, and Wellington.<sup>91</sup> Manuel A. Roxas. President of the Philippines.<sup>92</sup> Brig. Gen. Carlos P. Romulo, Philippines representative on the Far Eastern Commission and formerly Resident Commissioner in the United States.<sup>93</sup> Public Law 370, approved April 30, 1946; 60 Stat. 128. The Department replied in telegram 602, November 1, 8 p. m., that it had decided the Philippine Government "should claim and collect for own account" and that the Legal Adviser was of the opinion that the Act "does not imply US should be legal claimant for Phil reparations. Advise Phil Govt US will not claim reparations for Philippine war damages or losses." (740.00119 PW/8-146) For text of the Legal Adviser's opinion, see memorandum of October 21, p. 580.



740.00119 Control (Japan)/8-246

*Memorandum by the Assistant Secretary of State for Occupied Areas  
(Hilldring) to the United States Member of the Far Eastern Com-  
mission (McCoy)*

SECRET

WASHINGTON, August 6, 1946.

In accordance with instructions of August 2 from the State-War-Navy Coordinating Committee,<sup>94</sup> there is enclosed a statement of United States policy regarding the Conversion of Japanese Currency Held By Other Governments and Forces, comprising the substance of paragraphs 4a and 4b of the Conclusions of SWNCC 259/8, which was approved by the State-War-Navy Coordinating Committee on July 31, 1946.

The United States Member, Far Eastern Commission, is requested to present the United States views on the Conversion of Japanese Currency Held By Other Governments and Forces to the Far Eastern Commission with a view to obtaining from the Commission a policy decision on the subject.

J. H. HILLDRING

[Annex]

STATEMENT OF UNITED STATES POLICY REGARDING CONVERSION OF  
JAPANESE CURRENCY HELD BY OTHER GOVERNMENTS AND FORCES

It is concluded that:

The United States is opposed to conversion of yen held by:

- (1) other governments and forces,
- (2) Japanese banks for the U.S. Military Government in Korea,
- (3) private individuals where the currency in question is held outside of Japan.

The question of conversion of yen of types listed in the above paragraph should be considered in connection with reparations and Japanese external assets.

894.85/8-1246

*Memorandum of Conversation, by the Assistant Chief of the Division  
of Japanese Affairs (Emmerson)*

[WASHINGTON,] August 12, 1946.

Participants: Mr. Graves, Counselor of British Embassy  
Mr. Vincent—FE  
Mr. Emmerson—JA

Mr. Graves left an *aide-mémoire*<sup>95</sup> on the subject of the division of the Japanese fleet. He stated that his Government was seeking

<sup>94</sup> SWN-4643, not printed

<sup>95</sup> Not printed.

assurance that the United States did not propose to apply the same principle of four-way division to both the merchant and naval fleets. With reference to division of the merchant fleet he stated that it was the position of his Government that the Norwegian Government, as well as such countries as Denmark, Greece, Yugoslavia and Egypt, should be entitled to a share of the Japanese merchant fleet. He had been instructed to sound out the Department as to whether we intended to limit the division of the merchant fleet to countries which are members of the Far Eastern Commission.

Mr. Graves was assured that the United State Government regarded the division of the Japanese naval and merchant fleets as two distinct problems. While we were committed to a division of the remaining combatant vessels of destroyer or lesser tonnage, we have taken the position that division of the merchant fleet depends upon decisions to be made by the Far Eastern Commission on the subject of reparations and the future economy of Japan. Mr. Vincent stated that we were therefore agreed with the British position that the disposal of the merchant and fishing fleets should be undertaken by the Far Eastern Commission.

Mr. Graves explained that his Government was of the opinion that since losses in the Far Eastern war had been taken into consideration in connection with the division of the German fleet, that losses in the European war should affect the final decision with regard to the Japanese merchant fleet. The British Government had accepted this principle at the request of the American Government and as a consequence its share of German vessels was less than it would have been otherwise. It was therefore felt that in settling claims for Japanese ships one could not separate losses incurred in Europe and in the Far East.

Mr. Vincent stated that it was his impression that once the claims of the nations suffering the most losses had been satisfied there would be relatively little to divide among such powers as Greece or Egypt. Nevertheless, it seems a rational assumption that nations not belonging to the Far Eastern Commission would not be excluded from presenting claims. He said that we would study this matter and would be able to give him our views on another occasion.

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740.00119 PW/8-1346

*Ambassador Edwin W. Pauley to Mr. Willard L. Thorp, Deputy to the Assistant Secretary of State for Economic Affairs*

WASHINGTON, August 13, 1946.

MY DEAR MR. THORP: On the 2nd of May I transmitted to you a proposed report on Japanese reparations<sup>96</sup> which was the agreed

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<sup>96</sup> See footnote 92, p. 485.

result of negotiations between representatives of the State Department and my Chief of Staff, Martin T. Bennett. On 11 May 1946 Mr. Bennett handed a copy of this report to Major General William Marquat, Chief of the Economic and Scientific Section, SCAP, Tokyo and requested that SCAP transmit their comments to you as quickly as possible. On our return to Washington I find that SCAP comments have not been received and that no follow-up request had been made of SCAP prior to the 2nd of August.

It appears to me that with the many questions arising in connection with our policy in the Far East generally and specifically with respect to the program of the proposed Far Eastern Reparations Conference, it would be highly desirable to have the comprehensive reparations report adopted as a basic statement of policy. I am, therefore, anxious to submit this to the President at the earliest possible date but, as indicated to you in April, I do not wish to submit this until it has received SWNCC concurrence.

I, therefore, request that the State Department will undertake responsibility for sponsoring this report in SWNCC and for expediting its approval.<sup>97</sup>

Sincerely yours,

EDWIN W. PAULEY  
*U.S. Representative on Reparations*

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894.85/8-2246

*Memorandum by the Chief of the Division of Japanese and Korean Economic Affairs (Martin) to the Director of the Office of Far Eastern Affairs (Vincent)*

[WASHINGTON,] August 22, 1946.

Subject: British Views on Reparations from Japanese Ships

In accordance with my telephone conversation with John Emmer-son, I attach for initialing an *Aide-Mémoire*<sup>98</sup> in reply to that of August 12 left by Mr. Graves of the British Embassy<sup>99</sup> on the subject of disposition of Japanese merchant and fishing fleets.

On the further point raised by Mr. Graves in his conversation with you and recorded in your memorandum of conversation of August 12,

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<sup>97</sup> A reply, dated August 26, was sent to Mr. Pauley, informing him of action by the Department. It was stated in conclusion: "It is, of course, essential that this paper be moved through SWNCC as rapidly as possible in order to have a U.S. position for the guidance of the U.S. member of the proposed reparations conference, which it is now hoped can be convened not later than September 15." (740.00119 PW/S-1346)

<sup>98</sup> Dated September 3, *infra*.

<sup>99</sup> See memorandum of conversation, August 12, p. 561.



I don't think that the U.S. Government is at present disposed to concur in the British suggestion that in settling claims for Japanese ships "one could not separate losses incurred in Europe and in the Far East."

Mr. Graves' statement that the British had concurred in this position at the request of the American Government with respect to the German fleet and as a result secured fewer German vessels requires some modification. The final action in this matter was taken in IARA in Brussels. At the meeting of the IARA Assembly on April 11, at which this decision was made, the following U.S. reservation was put into the record and unanimously approved by the Assembly. "The inclusion of tonnage lost in the Japanese war in the calculation of German reparation shares of merchant ships is accepted only upon the understanding that it is without prejudice to and shall not be considered as in any way affecting the determination of shares of any Japanese reparations. No distinction between losses in the German and Japanese wars has been made because of the practical difficulties of accomplishing such a separation." This reservation was made on instruction from the Department and drafted in part by JK. I have the cable reference if you are interested in studying the matter further.

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894.85/8-1246

*The Department of State to the British Embassy*

MEMORANDUM

In reply to the British Embassy's *Aide-Mémoire* of 12 August, the views of the United States Government are, as assumed by the British Government, that there is no relation between the system of allocation envisaged for the Japanese naval fleet and that which should apply to those units of the Japanese merchant and fishing fleet which may be determined to be available for reparations.

It also continues to be the view of the United States Government, as stated in its *Aide-Mémoire* of 30 January,<sup>1</sup> that decisions with respect to the disposition of the Japanese merchant and fishing fleet should be made by an "Allied reparations commission operating under general policies laid down by the Far Eastern Commission."

It is also the position of the United States Government that the distribution of Japanese merchant and fishing vessels should take into account the losses of shipping by Japanese action of all countries which were engaged in the war with Japan.

The United States Government is happy to be able to agree with the British Government on this point and to learn that the British Government concurs in the view of the United States Government as con-

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<sup>1</sup> Not printed, but see footnote 79, p. 477.

tained in *Aide-Mémoire* of 30 January with respect to machinery by which allocation of Japanese merchant and fishing vessels available for reparations should be handled.

WASHINGTON, September 3, 1946.

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800.00 Summaries/9-946 : Circular telegram

*The Acting Secretary of State to Certain Diplomatic Officers* <sup>2</sup>

SECRET

WASHINGTON, September 9, 1946—11 a. m.

USSR has informally agreed discuss within FEC or at special reparation conference US proposal on Jap external assets provided we agree to and support Sov reservations to original proposal as follows: (1) In distributing tot amt reparation available from Japan definite share be allocated USSR without relation war booty taken by USSR from Manchuria which is subject for settlement betw China USSR; (2) former Jap assets South Sakhalin and Kuriles not be considered available general reparation purposes as these territories now part of USSR as per agreement betw USSR, US, UK; <sup>3</sup> (3) Jap assets Korea remain there for use Korean people; (4) reparation shares be determined on "broad political basis" taking account damage suffered and contributions to defeat Japan; (5) claims Allied nationals for damages property loss Jap or Jap occupied territories or territories ceded to Allied countries to be met from common reparation pool. Our preliminary view is 3, 4, 5 acceptable, 2 difficult but not insoluble, 1 presents very difficult problem. Amb Smith's comment Sov proposal has been asked.

CLAYTON

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740.00119 PW/9-1146

*Memorandum by the State Department Member of the State-War-Navy Coordinating Committee (Hilldring) to the Secretary of the Committee (Moseley)*

WASHINGTON, September 11, 1946.

Subject: Recommendations on Reparations Removals of Industrial Facilities and Merchant Shipping From Japan

At the request of Mr. Edwin Pauley, Ambassador and Special Representative of the President on Reparations Policy, the State Depart-

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<sup>2</sup> At Canberra, The Hague, London, Manila, Moscow, Nanking, and Wellington. The text was repeated to Tokyo in telegram 514, October 3, 5 p. m., in reply to Tokyo's telegram 437, October 2, not printed.

<sup>3</sup> Signed at Yalta, February 11, 1945, *Foreign Relations*, The Conferences at Malta and Yalta, 1945, p. 984.

ment submits to the State-War-Navy Coordinating Committee the attached "Proposed Comprehensive Report to the President by the U.S. Reparations Mission to Japan"<sup>4</sup> for review as to status of SWNCC action on the recommendations contained therein, the necessity for new SWNCC papers to cover any points made which are not now included in papers approved by SWNCC or included in the SWNCC agenda, and of the need for review of all such papers to determine whether they take full cognizance of the integrated approach to reparations and related problems provided in the Pauley Report.

J. H. HILLDRING

740.00119 PW/9-1746

*The Norwegian Embassy to the Department of State*<sup>5</sup>

#### AIDE-MÉMOIRE

According to press reports from Canberra, the Australian Government has presented claims for a whaling factory ship and eight catcher boats as part of the Australian reparations claims from Japan.

In this connection the Norwegian Embassy has been asked to express to the Department of State the assumption of the Norwegian Government that the Allied Control Authorities for Japan will not give any country a promise of special reparations assets in anticipation of the general settlement of Japanese reparations. The Norwegian Authorities assume that the allocation of Japanese reparations will be handled in generally the same manner as the German reparations settlement by an interallied body with membership from all allied countries, entitled to reparations, including Norway.

[WASHINGTON, September 17, 1946.]

740.00119 PW/9-1846: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, [September 18, 1946—3 p. m. (?) ]

URGENT

[Received September 18—8:55 a. m.]

113. Cite your 140500/Z September. Circular August 15, 9 a.m. not repeated to this post.

<sup>4</sup> See footnote 92, p. 485.

<sup>5</sup> In handing this *aide-mémoire* to a member of the Department, the Norwegian Embassy's representative stated his Government's particular interest in securing Japanese reparations. The Department's written reply, dated November 5, stated that when a decision was reached on the question of a *modus operandi* for handling Japanese reparations, the Norwegian Embassy would be informed (740.00119 PW/9-1746).



1. Japanese public and private assets in Korea have been vested.
2. Estimated value of such assets at current inflated prices as of this date is 100,000,000,000 yen.
3. No information available concerning claims against specific asset. No machinery has been set up to entertain debt claims against vested Japanese property.
4. Value of supplies captured from or abandoned by Japanese troops estimated at 2,000,000,000 yen, of which 480,000,000 yen have been disposed of by sale to date. Question concerning Japanese patents, copyrights and other intangible properties considered not applicable to this area, since all such rights were registered in Japan.

LANGDON

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740.00119 PW/9-1846

*Ambassador Edwin W. Pauley to Mr. Willard L. Thorp, Deputy to the Assistant Secretary of State for Economic Affairs*

WASHINGTON, September 18, 1946.

DEAR MR. THORP: On May 2nd I sent to you a copy of my comprehensive report on Japanese reparations which had been revised as the result of discussions with members of the State Department and which I understood was acceptable to them. On August 13 I again wrote you reporting that a copy of the report had been given to the Chief of the Economic and Scientific Section of SCAP in Tokyo with a request that comments be sent to you. In the latter letter I requested that the State Department undertake responsibility for sponsoring this report in SWNCC and for expediting its approval in order that I might submit it to the President with SWNCC concurrence with the object in view of its being used as a basic statement of policy.

By letter of August 26 Clair Wilcox, Acting Deputy, reported that ". . . the State Department has prepared in form for presentation to SWNCC the industrial removal program contained in your report, as agreed to in May". I assumed that this meant my *entire comprehensive report* (of May 2, 1946) was being submitted to SWNCC, as was done with my Interim Reparations Program of 18 December 1945.

However, I am now informed that the Department does not intend to submit to SWNCC the comprehensive report in its entirety. Instead, I am advised the Department has drafted and proposes to sponsor in SWNCC a paper which utilizes only certain recommendations contained in my comprehensive report and, in the case of a certain of the appendices, quotes individual sections of the report. Insofar as my understanding of our previous correspondence and discussions is concerned, this is not what I requested in my letters of 2 May and

13 August and certainly is not what I understood the Department had agreed to do.

I cannot subscribe to or endorse the apparent program of the Department as outlined in the draft paper entitled "Final Reparations Removal Program for Japan" because it fails to follow the recommendations contained in my comprehensive report. Also the Department's proposed draft refers to a *final* reparations removal program. You will note that my comprehensive report submitted on 2 May carefully avoids the use of the word "final". I do not believe, at this time, we can denominate *any reparations program* for Japan as "final".

Reparations do not begin and end with "removals". Reparations are part and parcel of a basic economic program affecting not only a defeated Japan but also a war torn East Asia. I do not believe that policy on reparations can be determined intelligently if the subject is treated in a vacuum. In order to fulfill my duties as the personal representative of the President, I believe it is essential that our reparations policy be stated in a concise form in its entirety together with a concise statement of the justification for that policy including relevant material which may—and in fact does—go beyond the mere fact of *removal* of certain industrial plant. I believe my comprehensive report of 2 May meets these basic requirements. Naturally, the Department, or any other interested branch of the Government, may differ with or object to the policy set forth in my report or with any phase of its implementation. It was the purpose of resolving any such objections that the request for presentation to and discussion in SWNCC was proposed.

If the Department, for any reason, finds itself unable now to sponsor my comprehensive report of 2 May in its entirety, I would appreciate your advising me promptly, specifying those particulars of the report to which it objects. Failing that, I shall assume that the Department will, pursuant to the understanding expressed throughout our correspondence, immediately prepare and sponsor the entirety of the comprehensive report of 2 May before SWNCC. The agreed procedure with respect to the Japanese program was different from Germany in that I filed my comprehensive report to the President prior to taking it up with the other interested governmental agencies . . .<sup>6</sup> This time we felt it was better for us to take it up with the other agencies before giving it to the President. You can see, therefore, how extremely anxious I am to get action on this because I am delaying my report to the President pending this action. Already the President has asked, through his Legal Counsel, Mr. Clark Clifford, for certain phases of these reparations reports that I cannot give him until I hear from you.

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<sup>6</sup> Points appear in the original.

I shall now, therefore, thank you in advance anticipation of an early reply.

Sincerely,

EDWIN W. PAULEY

740.00119 P.W./7-1746

*Memorandum by the Chief of the Division of Japanese and Korean Economic Affairs (Martin) to the Secretary of the State-War-Navy Coordinating Committee (Moseley)*

[WASHINGTON,] September 25, 1946.

Mr. Galbraith has left with me your memo of July 17,<sup>7</sup> asking that the SWNCC Secretariat be informed when SWNCC 310<sup>8</sup> had been implemented by State Department.

On September 5 the State Department was informed by Admiral Ramishvili of the Soviet Embassy that the Soviet Government rejected in essence the proposal in SWNCC 310.

In a radio dated September 23, the Secretary of State approved an oral reply to the Soviet Embassy stating that the U.S. is unwilling to negotiate the matter further bilaterally and will press the Far Eastern Commission to set up at once a Reparations Conference. If the Soviets veto that proposal the U.S. will proceed to call an inter-allied conference outside of the FEC to reach necessary policy decisions on reparations. Whichever conference is convened the issues involved in the proposal contained in SWNCC 310 will be made a matter for discussion and policy decision. The Soviet Embassy will not be informed whether the U.S. Government will continue to adhere to the proposals in 310 or will support its previous position which requires the accounting of all Japanese external assets, broadly defined, and no accounting for war booty, narrowly defined, in settlement.<sup>9</sup>

740.00119 P.W./9-2746: Telegram

*The Acting Secretary of State to the Political Adviser in Japan (Atcheson)*

RESTRICTED

WASHINGTON, September 27, 1946—7 p. m.

501. Following is extract from minutes of meeting Reparations Committee Sept. 23:

In reply to an inquiry by the Netherlands member regarding the

<sup>7</sup> See footnote 70, p. 546.

<sup>8</sup> *Ante*, p. 546.

<sup>9</sup> In a memorandum to the Department on October 8, Mr. Moseley commented: "It appears that no further action need be taken on this paper at this time and that the whole problem will be handled through the U.S. Member on the FEC in consultation with Departmental advisers along the line set forth in the third paragraph of Mr. Martin's memorandum." (740.00119 P.W./7-1746)



procedure for sending missions to Japan in connection with the restitution and reparations programs, the U.S. member made the following statement:

"As indicated in C1-002/10, the Supreme Commander for the Allied Powers has invited each member nation of the Far Eastern Commission desiring to do so to establish in Tokyo an accredited permanent representation to operate under the executive authority and operational control of the Supreme Commander, such representation not to exceed five individuals from each represented government who would be capable of acting on routine matters pertaining to reparations removals, restitution, or any other relevant matter which would otherwise require the visit of individual missions.

A further communication from the Supreme Commander dated 20 August 1946 indicates that the Supreme Commander has no objection to permanent representation in Japan by claimant nations not to exceed five persons whose work would generally be on restitution matters until about 1st October 1946 by which time it was hoped that the reparations program would be sufficiently advanced to utilize Allied representation. Only the five-man missions described in C1-002/10 were desired and equal privileges will be given the missions of each country.

The U.S. Government feels able to give an assurance that full cooperation will be afforded by the Supreme Commander to representatives of member countries of the Far Eastern Commission in undertaking such investigations in Japan as the Far Eastern Commission deems necessary. Full opportunity will be afforded by the Supreme Commander for inspection by representatives of claimant Governments of industrial facilities declared available for removal from Japan, such inspection to take place under such auspices and terms as are mutually satisfactory to the Far Eastern Commission and the Supreme Commander.

It is suggested that member countries, desiring to send technical personnel to Japan for the purposes authorized above, request, through their foreign missions in Japan, clearance from the Supreme Commander for assignment of such personnel to those foreign missions in Japan."

CLAYTON

740.00119 Control (Japan)/10-146

*Memorandum by the Acting Chief of the Division of Japanese Affairs (Borton) to the Director of the Office of Far Eastern Affairs (Vincent)*

[Extract]

TOP SECRET

[WASHINGTON,] October 1, 1946.

On September 26 General Hilldring presented a note to the Soviet representative,<sup>10</sup> the contents of which had been approved by the Secretary, in general as follows:

<sup>10</sup> Rear Adm. S. S. Ramishvili, Soviet deputy member of the Far Eastern Commission.

(1) The United States welcomes Soviet agreement to participate in a special reparations conference to consider the broad question of reparations from Japan including the question of Japanese external assets.

(2) The United States concurred in the proposals,<sup>11</sup> points (3), (4) and (5), of the Soviet Union outlined above.

(3) The United States could not endorse unreservedly the second Soviet point with reference to the exemption of Japanese assets in the southern Sakhalin and the Kuriles from the settlement but believed that exploratory discussions could advantageously be continued on this point.

(4) The United States did not consider that it would be fair to other governments whose people had suffered from Japanese aggression to reach a reparations settlement which took no account of Japanese assets in Manchuria.

(5) The United States Government is greatly concerned with the delay in reaching decisions which can lead to the removal of reparations equipment from Japan to the Allied countries, and consequently feels that it must, at the earliest possible date, press for action on the United States recommendation that the FEC call a reparations conference.

The United States further stated that if, within a reasonable period of time, the FEC finds itself unable to call a special conference to determine a Japanese reparations policy which will permit prompt initiation of shipments from Japan, the United States will take the initiative in calling, with the cooperation of whatever other governments now represented on the FEC wish to join with her, a reparations conference outside the framework of FEC to make Inter-Allied decisions which may serve as the basis for the execution of an equitable reparations program.

The Soviet representative, Admiral Ramishvili, requested a period of two weeks for his Government to consider the United States reply. General Hilldring informed him such a time would be given and that he would be informed by this Government a few days in advance of the date we would present our position to FEC in reference to a reparations conference.

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<sup>11</sup> For summary, see circular telegram of September 9, 11 a. m., p. 565.

740.00119 Council/10-146 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, October 1, 1946—1 p. m.

[Received 5:49 p. m.]

4914. Delsec 1016. For Hilldring from Smith.<sup>12</sup> ReDepcirtel September 9, 11 a.m. As a result of conference Cohen, Thorp, Harriman and Smith, our opinion is:<sup>13</sup>

Item 1. We cannot possibly agree to Soviet proposal because in view of removals already made, which certainly must be taken into account, we cannot now say whether USSR is entitled to further reparations. Furthermore, we are certain that much of the property so removed could not properly be classified as war booty. We cannot recognize that whole question of Japanese properties in Manchuria is subject for bilateral settlement between USSR and China.

Item 2. Technically we cannot now recognize that South Sakhalin and Kuriles have actually been ceded to USSR, although we are committed to support this at Peace Conference. Aside from this, there are many former Japanese assets in South Sakhalin and Kuriles which should be taken into consideration in establishing the amount of reparations due the Soviet Union. We cannot, therefore, accept the Soviet view that these Japanese assets are not to be considered as reparations. That certain assets in ceded territories should be considered in reparations calculations is US position here in Italian treaty.

Item 3. Conforms to our own views; we have always accepted this principle.

Item 4. We do not like the words "broad political basis" which seem to us to provide a foundation for all sorts of irrelevant and complicated claims. The USSR will undoubtedly use this expression to carry their claim back to cover their relations with Japan during the past thirty years. If we accept these words, it will mean to the Soviets that we have agreed in advance to such claims.

Item 5. By itself the wording of this item would be satisfactory but the Department must keep in mind that different procedure has been established for handling European treaties and that immediate concession of this point might be embarrassing.

Above represents opinion of individuals mentioned and comments on Item 1 represent Secretary's opinion also. Have not had chance to talk to him about other items. [Smith.]

CAFFERY

<sup>12</sup> Walter Bedell Smith, Ambassador in the Soviet Union, was temporarily in Paris.

<sup>13</sup> In a memorandum of October 2 to Acting Secretary Acheson, Mr. Vincent stated that this telegram "contains a succinct expression of opinion on this subject". (740.00119 Control (Japan)/10-46) Messrs. Cohen and Thorp and Ambassador Harriman were also in Paris at this time.



102.2/10-146: Telegram

*General of the Army Douglas MacArthur to the Joint Chiefs of Staff* <sup>14</sup>

SECRET

Tokyo, October 1, 1946.

[Received October 3—6:12 p. m.]

C 65665. Reourad C 63962,<sup>15</sup> Part 3 ourad C 60299,<sup>16</sup> urad W 93982.<sup>17</sup> Chinese mission in Japan has made formal request for restitution of Nanking puppet government embassy's funds in Tokyo, believed to have been partially or wholly supplied by the Japanese. Claims for restitution of 11 printing presses, 1 complete paper mill and printing materials ordered and paid for by firms in China during June and July '45 have been received from the Chinese mission. Chinese mission in Japan has been informed that the subject of the disposition of assets in Japan of puppet governments and of assets in Japan acquired during hostilities by individuals under a puppet regime awaits major decisions of policy. Request statement as to policy with regard to assets in Japan of puppet governments and assets in Japan acquired by individuals under puppet regime be expedited.<sup>18</sup>

740.00119 PW/10-246

*Memorandum by the State-War-Navy Coordinating Committee to the Secretary of State*

SECRET

WASHINGTON, 2 October 1946.

SWN-4795

By informal action on 2 October 1946 the State-War-Navy Coordinating Committee, after amending, approved SWNCC 236/24, a copy of which is enclosed.

It is requested that the State Department transmit the conclusions of the approved paper to the U.S. Member of the Far Eastern Commission with the recommendation that it be used as a basis for a Far Eastern Commission policy statement.<sup>19</sup>

For the State-War-Navy Coordinating Committee:

ERNEST A. GROSS  
for J. H. Hilldring  
*Chairman*

<sup>14</sup> Copy transmitted for information to the Department on October 4 by the War Department.

<sup>15</sup> August 8.

<sup>16</sup> April 26.

<sup>17</sup> Telegrams not found in Department files.

<sup>18</sup> Notation on October 14 by John E. MacDonald, Property Claims and Finance Section, Division of Japanese and Korean Economic Affairs: "Made subject of SWNCC 329/D—action being taken as a policy matter for reference to SWNCC & FEC". (102.2/10-146)

<sup>19</sup> This was done on October 7.

[Annex]

*Report by the State-War-Navy Coordinating Subcommittee for the Far East*<sup>20</sup>

PRINCIPLES UNDER WHICH ADVANCE TRANSFERS OF JAPANESE REPARATIONS MAY BE ACCOMPLISHED

THE PROBLEM

1. To formulate the principles under which advance transfers of Japanese assets available for reparations may be accomplished prior to final determination of over-all national percentage shares.

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".<sup>21</sup>

DISCUSSION

3. See Appendix "B".

CONCLUSIONS

4. It is concluded that:

a. It is the position of the United States Government that the Supreme Commander for the Allied Powers should effect immediate delivery of assets within Japan as advance payment on account of ultimate reparation shares providing:

(1) That such assets fall within categories of Japanese facilities, equipment or property which the Far Eastern Commission has declared as available for reparations transfer;

(2) That such assets should be delivered by the SCAP only to those countries—

(a) whose productive or transportation facilities, other than deep sea shipping, have suffered heavy damage as a direct result of Japanese hostilities, and

(b) which provide evidence that the immediate and useful employment of such assets is practical, and

(c) which provide evidence that the employment of rehabilitated, repaired or reconstructed facilities can contribute, directly, to immediate relief and rehabilitation requirements of the war devastated economy of the claimant country or, indirectly, to the relief needs of other parts of Asia devastated by Japanese armed forces;

(3) That no single country should claim or receive delivery of more than 5 percent in quantity or value of any single category of

<sup>20</sup> SWNCC 236/24, September 17, was approved by SWNCC as revised October 2.

<sup>21</sup> Not printed.

available assets as determined in paragraph (1) above, and authorized for transfer under the provisions of paragraph (2) above.

(4) That assets specified for delivery should represent, in their total quantity or value, no more than 15 percent of any single category of available assets as determined in *a*, above.

*b.* The SCAP should maintain such records as necessary to enable a reparations agency for Japan to account for any such advance transfers as offsets against ultimate fulfillment of approved and recognized overall national reparations claims.

*c.* If above percentages for relief transfers prove to be inconsistent with final allotments from various specific categories of assets available for reparations, a reparations agency for Japan should make the necessary adjustments or offsets in quantity, or value.

#### RECOMMENDATIONS

5. It is recommended that after approval by the SWNCC, the conclusions of this paper be transmitted by the State Department to the United States Member of the Far Eastern Commission with the recommendation that it be used as the basis for a Far Eastern Commission policy statement.

[Subannex]

#### APPENDIX "B"

#### DISCUSSION

##### *Introduction*

1. Considerable pressure has been developed both by Ambassador Pauley and by representatives of several countries, members of the Far Eastern Commission, to secure adoption by the Far Eastern Commission of a policy under which immediate advance transfers may be accomplished of Japanese assets available for reparations.

2. Only those assets which the Far Eastern Commission has declared available for reparations transfer should be delivered to claimant countries. The Far Eastern Commission has made its determination of availability of facilities in terms of various categories of industries. It is suggested on the one hand that no more than 15 percent of any single category be delivered under the formula proposed for advance transfers and on the other hand that no more than 5 percent of any single category be allotted to any single claimant country. The categories of industry already determined as available for interim removal are such that comparatively small unit transfers are feasible. For example, the recommendation for iron and steel removals provides that first consideration should be given to electric furnace capacity made up as far as possible of furnaces of individual charge



capacity of 1½ tons or less. The recommendation for thermal-electric power removals would allow transfer of small power units within the two million kilowatts, more or less, declared obviously excess.

3. The United Kingdom has taken the stand that interim deliveries on reparations account cannot begin until over-all national reparations shares have been determined. It is believed that this position has been taken by the United Kingdom because of determination to prevent the U.S.S.R. from receiving any reparations allotment out of assets from within Japan. Mr. Pauley, on the other hand, considers deliveries of Japanese assets on advance account an operation which would serve to meet immediate relief requirements of war devastated areas and to expedite completion of the reparations settlement as a whole.

4. It has been proposed, therefore, that delivery of Japanese assets available for reparations on advance account be made to countries whose eligibility would depend upon whether or not they had suffered damage as a direct result of Japanese hostilities. All member countries of the Far Eastern Commission except the U.S.S.R. suffered from Japanese attacks upon their shipping. Hence, a limitation is introduced specifying that it is transportation other than deep sea shipping which is being referred to. It is believed that only China, the Philippines, the N. E. I., and British colonial possessions such as Burma, New Guinea, Malaya, and islands in the Indian Ocean and United States Pacific possessions should be eligible. This limitation would meet Mr. Pauley's desire to help those who have suffered and the British desire to exclude at least the Russians and possibly the French from submitting claims for advance deliveries.

It is proposed that advance transfers would not be authorized unless sufficient evidence could be produced that the employment of facilities rehabilitated, repaired or reconstructed as a result of immediate delivery of Japanese assets would contribute directly to urgent relief requirements of war-devastated portions of claimant countries, or the relief needs of other parts of devastated Asia. It is proposed, moreover, that before delivery can be made, sufficient evidence should be provided that immediate and useful employment of transferred assets is practical.

The above provisions make it perfectly clear that the policy being recommended is one enabling the employment of surplus Japanese facilities, equipment or property for urgent relief purposes in Asia.

5. Responsibility for the implementation of the policy should rest with the Supreme Commander. In explaining this policy proposal to the Far Eastern Commission, the United States member should make it clear that claimant countries likely to receive favorable action upon their claim should facilitate action by requesting equipment which is likely to be found together within Japan, facilities which are

inter-related and juxtaposed, and not present demands for trifling scattered items whose packaging and transportation would impose undue burdens upon the administrative agency. The Supreme Commander should maintain adequate records which would enable a reparations agency for Japan to account for advance transfers as offsets against ultimate fulfillment of over-all reparations shares subsequently recognized and approved. It is possible that 5 percent of any single category of available assets would exceed a recipient country's pro rata share of assets across the board, but if such should be the case, a reparations agency for Japan could make necessary adjustments and deduct quantity or value accordingly from some other category of Japanese assets which might otherwise have been allotted to a claimant country. Though possibly doing violence to the symmetry of a future final settlement, such an adjustment could and should be justified in terms of its urgent relief value.

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740.00119 PW/10-446

*The State-War-Navy Coordinating Committee to the Secretary  
of State*

SWN-4800

WASHINGTON, 4 October 1946.

Subject: Delivery of Reparations Goods in Japan

References: *a.* SWNCC 236/20  
*b.* SWNCC 236/25  
*c.* SWNCC 236/27

Enclosed herewith is a copy of SWNCC 236/27, a revision of reference *a* as amended by reference *b* and approved by the State-War-Navy Coordinating Committee on 3 October 1946.

It is requested that the statement of the U.S. position in the Appendix be forwarded by the State Department to the U.S. Member of the Far Eastern Commission.<sup>22</sup>

For the State-War-Navy Coordinating Committee:

ERNEST A. GROSS  
for J. H. Hilldring  
*Chairman*

[Annex]

STATEMENT OF U S POLICY REGARDING DELIVERY OF REPARATIONS  
GOODS IN JAPAN <sup>23</sup>

1. In delivering reparations goods to claimant countries, the Japanese Government should bear all costs connected with dismantling,

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<sup>22</sup> This was done October 11, with a view to obtaining a policy decision on the subject.

<sup>23</sup> SWNCC 236/27, approved October 3.

packing, transporting to a port in Japan for waterborne craft or for airborne craft designated by the Supreme Commander for the Allied Powers, handling, and loading on board the craft at that port. None of these costs should be charged to the recipient country's reparations account.

2. The goods in question should become the property of the recipient country when they have been delivered on board at the designated port and, thereafter, they become the entire responsibility of such recipient country. The goods in question should be charged to the reparations account of the recipient country not later than the time at which they have been delivered on board at the designated port.

3. When particular reparations goods have been designated for application to the reparations account of a particular country, the Supreme Commander for the Allied Powers may, before proceeding with the removal of such goods from their location at the time of such designation, require that country to provide him with a written undertaking to accept such goods in accordance with the provisions of this paper, provided they are delivered on board at the designated port free from any major damage sustained in processes of dismantling, transportation, and loading.

4. *a.* Each claimant nation will be responsible for furnishing the waterborne or airborne craft necessary to transport its reparations goods from the designated port in Japan.

*b.* In accordance with the provisions of this paper, each claimant nation will furnish transportation for its reparations goods at the port and will be prepared to accept transfer of title no later than two years after the designation of the goods for application to that country's reparations account, provided that such goods have been delivered to the loading point at the port within that period. Otherwise, the goods will revert to SCAP for allocation to another claimant or for disposition under the provisions of other directives.

*c.* For purposes of developing priorities and schedules for dismantling operations and removal of reparations goods to the port, each claimant nation will notify SCAP of the order desired for receiving its respective reparations goods and the prospective availability of shipping to move these goods from the port. Firm schedules for dismantling operations, removal to the port, and loading on board recipient's craft will be determined by the Supreme Commander for the Allied Powers in agreement with the representatives of the recipient country.



740.00119 PW/9-1846

*The Under Secretary of State for Economic Affairs (Clayton) to  
Ambassador Edwin W. Pauley*

WASHINGTON, October 14, 1946.

MY DEAR MR. PAULEY: I regret the misunderstanding described in your letter of September 18 with respect to the clearance through the State-War-Navy Coordinating Committee of your Comprehensive Report on Reparations from Japan. I wish to confirm the statements made to Mr. Bennett of your staff by Mr. Gross of the Office of the Assistant Secretary for Occupied Areas Affairs and Mr. Martin of the Division of Japanese and Korean Economic Affairs that no question of substance is involved but only problems of format and procedure.

Although considered in a series of papers on various subjects rather than in one over-all document, I think you will find all your recommendations have been or are scheduled to be covered in SWNCC papers. I enclose with this letter a summary <sup>24</sup> of the status of action by the State-War-Navy Coordinating Committee and the Far Eastern Commission on papers covering the various subjects concerning which policy recommendations are made in your report. Although, as you will note, final SWNCC action has not been completed on a number of these papers, I feel sure that in due course all your recommendations will have been acted on by SWNCC. Except where the contrary may have been specifically indicated in this attachment the State Department has in each case supported the policies proposed in your report. Of course, since concurrence of the War and Navy Departments, of the JCS, and usually of SCAP is necessary to final SWNCC action, the State Department can give no assurances as to amendments which may be voted into these papers before final approval.

In order to insure that proper attention has been given to the interrelations among the various policy issues centering in the reparations program, the State Department has requested the SWNCC to review these papers from this standpoint, particularly in the light of the integrated viewpoint contained in your report, and make such amendments as may be suggested by this review. A copy of this document is also enclosed.

In your letter and in subsequent discussions with Mr. Bennett our attention has been called to a few points on which, in the course of ne-

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<sup>24</sup> Not printed, but see General Hilldring's memorandum of September 11, p. 565.

gotiations in this Government and with other governments, the intent of recommendations in your report has been unintentionally obscured. I wish to assure you that insofar as the matter is within the power of the State Department, steps will be taken to make the revisions necessary to insure clarity in carrying out those policies on which we have agreed.

I hope that the information supplied with this letter will provide you the necessary basis for submitting your report to the President.

Sincerely yours,

[W. L. CLAYTON]

740.00119 PW/8-146

*Memorandum by Mr. Leonard C. Meeker, Assistant to the Legal Adviser (Fahy)* <sup>25</sup>

CONFIDENTIAL

[WASHINGTON,] October 21, 1946.

#### PHILIPPINE REPARATIONS

1. Reference is made to your communication of October 5, 1946 <sup>26</sup> concerning interpretation of the Philippine Rehabilitation Act of 1946 <sup>27</sup> and the question of standing to claim reparations from Japan on account of damage to Philippine property.

2. As a matter of international law, and in the absence of any statute such as the Philippine Rehabilitation Act of 1946, probably either the United States or the Republic of the Philippines could claim against Japan for reparations on account of Philippine war damage. The United States, as sovereign in the Philippine Islands during all of the time in which damage occurred, could make and establish a claim, applying the proceeds of such established claim to restitution in the Philippines.

In the alternative, the Republic of the Philippines would also have standing to claim against Japan for reparations. Some precedent for such action is to be found in Article 190, Annex II, Section 2 of the Treaty of St. Germain-en-Laye (1919) <sup>28</sup> and in Article 174, Annex II, Section 2 of the Treaty of Trianon (1920). <sup>29</sup> These treaties, with Austria and with Hungary, provided for representation of Poland on the Reparation Commission of the Allied and Associated Pow-

<sup>25</sup> Addressed to Norman T. Ness, Director of the Office of Financial and Development Policy, and to Monroe Karasik, Special Assistant to the Director, Office of Economic Security Policy; copy transmitted in instruction 111, November 15, to Manila, as the opinion of the Legal Adviser.

<sup>26</sup> Not printed.

<sup>27</sup> See telegram 132, August 1, from Manila, p. 560.

<sup>28</sup> *Treaties, Conventions, etc., Between the United States of America and Other Powers, 1910-1923* (Washington, Government Printing Office, 1923). vol. III, pp. 3149, 3206.

<sup>29</sup> *Ibid.*, pp. 3539, 3593.

ers. Poland is described in the preamble of the treaties as one of the Allied and Associated Powers. Article 178 of St. Germain and Article 162 of Trianon provided that there should be compensation from Austria and Hungary "for damage done to the civilian population of the Allied and Associated Powers and to their property during the period of the belligerency of each as an Allied Associated Power" against Austria and Hungary "by the said aggression", etc. The period of Poland's belligerency against Austria and Hungary occurred while Polish territory was a part of the Russian Empire.

The case of the Philippines for separate standing to claim reparations is even clearer. The Commonwealth of the Philippines declared war on Japan, and maintained a government-in-exile at Washington after complete Japanese occupation of the Philippine Islands. During the period of the Pacific War the Philippine Commonwealth had what amounted most nearly to dominion status, achieving sovereign independence after the war on July 4, 1946.

The Philippines were represented, as was India, on the Far Eastern Advisory Commission, a ten-power body organized after the Japanese surrender. The Philippines are now represented on the Far Eastern Commission—successor to FEAC—which was organized as an eleven-power body pursuant to an agreement reached at Moscow on December 26, 1945. In the case of both Commissions the principle of "one country, one vote" has been agreed and adhered to. While the sphere of action of the Commissions has been largely political affairs, this indicates no reason why the Republic of the Philippines should not have independent standing in the matter of reparations to be paid by Japan.

3. The question then arises as to how the Philippine Rehabilitation Act of 1946 affects the question of reparations to be claimed against Japan on account of war damage to Philippine Property.

The Act does not specifically provide that the United States shall claim reparations from Japan on account of war damage to Philippine property. Nor is it believed by the Office of the Legal Adviser that the Act by its terms and provisions implies that the United States should claim such reparations.

It will be noted that the statute in question expressly excludes from compensation by the Philippine War Damage Commission large classes of war damage to Philippine property. Act of April 30, 1946, Pub. No. 370, 79th Cong., §§ 102 (a), (b); 103; 110.\* It may be ob-

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\*Section 106(d) emphasizes the fact that the Act's coverage of war losses is only partial, and is declaratory of the proposition that Philippine property-losers not covered by the statute are not deprived of any other remedies they may have without the Act. The phrase "any claimant" in section 106(d) refers to persons (natural, corporate, or public) who have sustained damage in their capacity as property-holders, rather than to a claimant in the international sense of sovereign seeking reparations. [Footnote in the original.]



served from some of the provisions of the Act itself that Congress' purpose was not so much to compensate for Philippine war damage in general as it was to initiate measures for early rehabilitation of the Philippine Islands' economy. *Id.*, §§ 104 (b), (c); 106(c); 111. This character of the Philippine Rehabilitation Act is made entirely clear by the House of Representatives Committee on Insular Affairs report on the rehabilitation bill recommending passage. H. Rep. No. 1921 (79th Cong., 2d Sess.) pages 8-9, 13, 17-18, 25-26. In short, the Act sets up machinery to guarantee the Philippine economy a fixed minimum of resources for effecting rehabilitation in the relatively near future. It should be viewed as such a guaranty or insurance-type measure of limited comprehension and scope rather than as a statute to settle the questions of Philippine reparations generally.

The Act appropriates money from the Treasury and authorizes the use of United States surplus property (plus property that may be received from Japan under specified circumstances) to effect Congress' rehabilitation purposes. The Act is not addressed to the problem of securing reparations from Japan. The question of the machinery for obtaining and distributing reparations from Japan for Philippine over-all war damage is not dealt with by the Act. Section 106(b), (c) reflects the existence of uncertainty and lack of crystallization on these questions by use of the expressions: "Any money or bullion received by the United States from the Japanese Government or the Japanese people . . .", "any other property received . . ." (under-scoring supplied).

It is believed that the claiming of reparations by the Republic of the Philippines against Japan would be consistent with the purposes and intention of the Philippine Rehabilitation Act of 1946. The Act does not purport to limit the authority of the Philippine Government to claim reparations, or to require the Philippine Government to apply any reparations it may claim and receive to any particular purpose. While section 106(b)(1) of the Act provides that the United States, out of any money or bullion received by the United States from Japan for Philippine reparations, shall reimburse itself for outlays made under Titles I and III of the Act, the statute does not provide that the United States shall secure any reimbursement from other property received by the United States from Japan on account of reparations. Congress omitted to make such a provision although the Department of State recommended it in a letter of March 8, 1946 to the Committee on Insular Affairs.<sup>30</sup>

Congress also did not provide for the contingency of the Republic of the Philippines claiming and receiving reparations from Japan.

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<sup>30</sup> Addressed to Jasper Bell, Chairman of the House Committee on Insular Affairs; not printed.

Questions would then arise whether the United States should seek reimbursement for its outlay under the statute before total satisfaction of all Philippine war damage claims (estimated at \$800,000,000 to \$1,000,000,000), or should seek reimbursement if the amount of reparations received by the Philippines exceeded the difference between American outlay and total Philippine war damage, or should seek reimbursement only if reparations received by the Philippines exceeded the amount of all war damage, or should not seek reimbursement at all.

While the act is silent on these points,<sup>†</sup> the principle of reimbursement, particularly out of money or bullion, would be consistent with the general purposes of the Philippine Rehabilitation Act. Under these circumstances—unless specific guidance is furnished by additional Congressional legislation—any scheme of reimbursement would have to be arranged by agreement between the United States and the Republic of the Philippines. The position of the Department of State in such negotiations would be determined by considerations of American policy toward the Republic of the Philippines, of the practical problems which reimbursement might raise for the Philippine War Damage Commission in its administration of the Rehabilitation Act, and of the indication by Congress in the Rehabilitation Act favoring a policy of reimbursement out of money and bullion. Since the amount of money and bullion that may be received as reparations will be very small, this last consideration should not offer any substantial problem to the United States negotiators.

L[EONARD] C. M[ECKER]

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740.00119 PW/10-2246

*Memorandum of Conversation, by the Acting Chief of the Division  
of Japanese Affairs (Borton)*

[WASHINGTON,] October 22, 1946.

Participants: Mr. Harold [Hubert] A. Graves—British Embassy  
FE—Mr. Vincent  
JA—Mr. Borton

Mr. Graves called at his request to present the attached notes <sup>31</sup> on conversation concerning the possibility that a proposal may be made by the United States Member of the FEC on October 24 that a reparations conference be held outside the auspices of the Far Eastern Commission. Mr. Graves pointed out that the Foreign Office wishes

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<sup>†</sup>The committee reports and Congressional debates make no reference to reparations received by the Philippines and reimbursement therefrom. [Footnote in the original.]

<sup>31</sup> Not printed.

to ascertain the American position on the repercussions of such action on other conferences and the effect on the authority of the FEC of a policy decision of a conference not under FEC auspices being implemented by directive to General MacArthur.

Mr. Graves was informed that the question of appropriate U.S. action in the event that the Soviets veto our proposed conference under the FEC, was under active consideration by the Secretary. He was also told that the U.S.-Soviet negotiations to reach an understanding on the reparations question had broken down on the question of external assets and war booty, the Soviets insisting that their war trophies in Manchuria not be taken into consideration in the reparations settlement, a position which the United States was unable to accept. It was also explained to Mr. Graves that the members of the FEC would not be expected to vote on October 24 for an alternative plan but that they would be informed shortly thereafter of the action which this Government is contemplating.

Mr. Graves expressed appreciation for the information which he had received and stated that he was relieved to hear that we were not expecting to obtain definitive decision on an alternative at the FEC meeting on October 24.

H[UGH] B[ORTON]

740.00119 Control (Japan)/11-1846

*Memorandum by Mr. Robert W. Barnett, Alternate United States Member of Committee No. 1 on Reparations, Far Eastern Commission*<sup>32</sup>

[WASHINGTON,] 25 October 1946.

#### CHINESE VIEWS ON THE REPARATIONS SETTLEMENT

1. On Wednesday, October 23, Dr. Wang,<sup>33</sup> Chief of the Chinese Purchasing Mission and Chinese member of the FEC Reparations Committee, invited me to lunch with him. Accompanied by his two economic assistants, Mr. Tsien and Dr. Koo,<sup>34</sup> he took me to his home in order, he said, to have a quiet and frank discussion of problems uppermost in his mind.

2. The Chinese delegation in the Far Eastern Commission has reluctantly come to the conclusion that the United States Government feels itself committed to live up to the assurance, contained in the Potsdam Declaration, that "Japan shall be permitted to maintain such

<sup>32</sup> Addressed to the Chairman of the Commission (McCoy) and to members of the U.S. delegation, Hugh Borton and Edwin M. Martin.

<sup>33</sup> Wang Shou-chin, of the Chinese delegation, Far Eastern Commission.

<sup>34</sup> K. K. Tsien and Anthony Koo, of the Chinese delegation.



industry as will sustain her economy", but is not similarly concerned in standing by the assurance, also contained in the Potsdam Declaration, that there shall be "the exaction of just reparations in kind."

3. Neither in the Far Eastern Commission nor at the Headquarters of the Supreme Commander for the Allied Powers in Japan have the Chinese found convincing evidence of any genuine desire to provide war damaged countries with what they want and need for their own reconstruction, out of Japan's resources.

4. The United States has made progress, to be sure, in securing Far Eastern Commission adoption of the Pauley Interim Reparations Removals recommendations. The Chinese Government does not regard that program, however, as being designed to answer desires for reparations so much as to meet broad industrial disarmament objectives. While not opposing ultimate Japanese industrial disarmament, the Chinese challenge the assumption that the mere transfer of surplus heavy industrial capacity from Japan constitutes proper or adequate compensation for Chinese war suffering.

5. Assuming that the United States is in earnest when pressing for industrial disarmament, the Chinese Government has become profoundly concerned over the assumptions which seem to underlie American calculations of the "minimum peacetime economy for Japan" being assured the Japanese people,—a level which the Chinese could consider a luxury level for their own country. The Chinese have abandoned, officially, the suggestion that Japanese standards of living should be pulled down to Chinese standards or even to levels "no more than 100% higher than the Chinese standard of living." However, they are now making observations, Dr. Wang said, upon which conclusions as to where America's primary sympathies and interests in Asia actually lie.

6. Dr. Wang's general observations were prompted by a problem pending in the Reparations Committee. Nine countries are agreed that recipient countries should bear costs of transporting reparations assets from the port of shipment in Japan to a port in the recipient country. The Chinese Government fears that shortage of Chinese bottoms and the deteriorating state of Chinese foreign exchange reserves doom Chinese reparations assets to immobilization at Japanese ports unless the Japanese themselves bear the responsibility of transportation. The Chinese recognize the complications, administrative, physical and financial, which would arise if all countries could enjoy the same service. They consider themselves in a dilemma which can be resolved only by United States sympathy for and interest in China's special grievance against Japan and the monumental character of China's problem of economic reconstruction.

7. The Chinese have begun to think that present moves made towards a reparations settlement may have proceeded within an entirely misconceived pattern of assumptions. Just reparations, measured in terms of real and actual value, can not be accomplished except within very narrow limits as a mere by-product of a program of industrial disarmament. In order to obtain their "just", indeed, urgently needed, reparations, the Chinese seem to be willing to consider (1) temporary abandonment of the industrial disarmament program in Japan, (2) revival and rehabilitation of the Japanese economy on a maximum productivity basis, (3) restriction of Japanese domestic consumption to minimum levels, (4) export on reparations account from current production involving, where necessary, raw material import commitments from claimant countries, (5) ultimate retirement or transfer, at an agreed upon time, of heavy industrial productive capacity dangerous for security reasons.

8. The Chinese claim that they could not have presented such a proposal at an earlier time because they do not possess the facts needed regarding the Japanese economy. I rejected this excuse and placed upon the Chinese themselves the blame for permitting consideration of the reparations problem to have proceeded to this point along lines which they feel are inconsistent with their most vital national needs.

9. It was my personal feeling that any halfway compromise veering towards the above views initiated by the State Department would excite alarm in SCAP, who could not foresee its balance of trade implications, and for entirely different reasons would be construed by the Soviets as added evidence that the United States Government pursued the objective of making Japan a strong economic bulwark. The Chinese views, however, do pose a searching question as to whether American thinking on reparations from Japan is likely to accomplish any of the objectives implied by the term "just reparations."

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894.85/8-1246

*Memorandum of Conversation, by the Assistant Chief of the Division of Japanese Affairs (Emmerson)*

[WASHINGTON,] October 25, 1946.

Participants: Mr. Graves, Counselor of British Embassy  
Mr. Vincent—FE  
Mr. Borton—JA  
Mr. Emmerson—JA

Mr. Graves referred to the *aide-mémoire* of August 12, 1946 which he had left with the Department <sup>35</sup> and to the Department's reply of

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<sup>35</sup> See memorandum of conversation, August 12, p. 561.

September 3, and presented a memorandum <sup>36</sup> on the subject of principles for the division of the Japanese merchant and fishing fleets.

Mr. Graves reiterated what had been expressed in the Embassy's note of August 12, namely, that the British Government proposed that the allocation of Japanese merchant ships should be made on the same basis as that adopted for the division of German shipping. The principle used in the case of German ships was an allocation in proportion to over-all losses on a gross tonnage basis and regardless of whether losses occurred in the European or the Far Eastern war.

Mr. Vincent inquired what would be the statistical result of such an allocation in the case of Japan. Mr. Graves replied that his Government did not know what division would result but he felt that the British might receive more ships under this principle than if the Far Eastern war alone were taken into consideration. He said that by agreeing to the principle of allocation on the basis of both wars for the division of German shipping, the British had received slightly less than would otherwise have been the case. Mr. Graves said that the method he was suggesting would permit allocation of shipping tonnage to countries not directly participating in the Far Eastern war, such as Egypt, Yugoslavia and others.

Mr. Vincent said that he was under the impression that the agreement in connection with the German fleet was taken without necessarily intending that the same principle should be applied in the case of the Japanese fleet. He stated that the British note would be referred to the appropriate divisions in the State Department and a reply prepared for the British Embassy.

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740.00119 P.W./10-2846

*Memorandum by the State-War-Navy Coordinating Committee to  
the Secretary of State*

SECRET

WASHINGTON, 28 October 1946.

SWN-4857

Subject: Restitution of Looted Property in Japan

The following message from the Supreme Commander for the Allied Powers has been received from the Joint Chiefs of Staff:

"Reurad WCL 30315 (Serial Directive #57), 25 July, subject 'Restitution of Looted Property',<sup>37</sup> no mention is made of former proviso contained in interim policy (Serial Directive #30<sup>38</sup>), that objects

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<sup>36</sup> Not printed.

<sup>37</sup> See FEC-011/12, July 18, *Activities of the Far Eastern Commission*, p. 80.

<sup>38</sup> February 22, not printed.



subject to restitution must have been removed from areas occupied by Japanese armed forces subsequent to 7 July 1937. Elimination of limiting date has resulted in submission of claims for restitution which do not appear to be within the intended scope of the restitution directives.

"As specific examples the following claims and inquiries have been received: Inquiry from Union of Soviet Socialist Republics regarding ships acquired by Japanese as result of war 1904-1905; claim from Chinese for anchors with chains and cannon shells removed from China warship in 1895; claim for artistic and industrial articles removed from Korea 1592 [*sic*].

"Investigation into these matters presents many time consuming problems and difficulties because records and proof of ownership are not available and property is difficult to locate and identify.

"Request clarification."

It is requested that the Department of State transmit the above message to the U.S. representative on the Far Eastern Commission for submittal to that Commission with a view to obtaining clarification.<sup>39</sup>

For the State-War-Navy Coordinating Committee:

H. W. MOSELEY

Secretary

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740.00119 P.W./10-346

*Memorandum by Mr. B. E. L. Timmons, of the Treasury Department,  
to Mr. Harlow J. Heneman, Special Assistant to the Assistant Secretary of State for Occupied Areas (Hilldring)*

[WASHINGTON,] October 30, 1946.

Subject: Far Eastern Commission Policy on Restitution of Looted Property.

It is noted that the Far Eastern Commission has been requested by the Netherlands representative to reconsider and revise its policy on the restitution of looted property, with especial reference to industrial raw materials found in Japan, and identified as having originated in an Allied country. The request of the Netherlands representative is particularly concerned with stockpiles of tin in Japan which were mined, processed and exported from the Netherlands East Indies, and other areas, during the period of Japanese occupation.

It is noted further that the Far Eastern Commission policy referred to states that industrial raw materials, *inter alia*, "which are found in Japan and which are identified as having been located in an Allied

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<sup>39</sup> For the Department's reply, see memorandum on p. 599.

country at the time of occupation of that country" are subject to restitution. It is understood that the United States' position with respect to this property precludes the restitution of property located in Japan which was not in existence at the time of Japanese occupation, and permits the export and sale of such property, with the proceeds thereof going into the Japanese export-import account.

It is believed that this problem is one which merits the consideration of the Occupied Areas Committee, and it is therefore requested that it be placed on the Agenda for early discussion. For the information of the Committee it is suggested that the State Department representative discuss the proposed position to be taken by the United States representative when this policy is brought up for reconsideration by the Far Eastern Committee.

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740.00119 PW/12-946

*Proposed Policy Statement for the Far Eastern Commission*<sup>40</sup>

THE SELECTION OF PLANTS FOR REPARATIONS REMOVALS, DESTRUCTION  
OR RETENTION IN JAPAN

Within those amounts of industrial capacity determined by the Far Eastern Commission for retention in Japan, for destruction or for removal as reparations, the Supreme Commander for the Allied Powers should, in selecting specific plants, machinery, equipment, and other facilities, give consideration to the following:

1. Security and industrial disarmament requirements: Facilities which have been employed in primary and secondary war industries and facilities in war-supporting industries, the operation of which was directly and closely related to war industries, should be removed in preference to those not so employed.

2. The achievement of a fair balance between:

a. The general preferences of reparations claimants for plants, machinery, equipment and other facilities

- (1) Of modern and efficient design and manufacture
- (2) In good working condition and capable of being removed from Japan with minimum loss of value and efficiency
- (3) In consolidated or integrated units
- (4) Of special value or need to claimant countries, and

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<sup>40</sup> FEC-091/4, approved November 4 by Committee No. 6 (Aliens in Japan) at its 25th meeting, was forwarded on November 5 to the Steering Committee for consideration; paragraph 4 embodied "a portion of the proposed Soviet amendment in FEC-091/3". Paragraphs 1-3 "embodied principles derivative from approved SWNCC documents and could be considered official U.S. policy without further SWNCC action" (memorandum of December 9 initialed by Mr. Gross).

b. The legitimate needs, as determined by the Far Eastern Commission, of Japan's peacetime economy for similar equipment having due regard for the geographical location of individual plants in reference to markets, raw materials, manpower, fuel supply, and complementary facilities; for variations in specific products as among types, sizes and other variable characteristics; and for the feasibility of repair and rehabilitation in Japan.

3. The occupation policies of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry.

4. In carrying out the selection of particular plants, machinery and equipment for reparations removals the following order of removal should be exercised:

a. Plants and equipment owned by the Japanese Government, the "Zaibatsu" concerns and other big industrial and financial concerns and companies.

b. Plants and equipment owned by other Japanese nationals and by nationals of the countries—allies of Japan.

5. A separate statement of policy covering the treatment of property of nationals of Members of the United Nations will be issued by the Far Eastern Commission. In the meantime, no action should be taken under the present paper with respect to such property.

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740.00119 P.W./11-1246

*Memorandum by the Chief of the Division of Japanese and Korean Economic Affairs (Martin) to the Assistant Secretary of State for Occupied Areas (Hilldring)*

[WASHINGTON,] November 12, 1946.

1. In the course of the conversations which have been held between the State Department and representatives of ten other Governments, members of the Far Eastern Commission, reactions have been obtained to the United States proposal to issue interim directives accomplishing a reparations settlement. These reactions, all of which were tentative and personal may be summarized as follows:

A. No one offered a clear and positive proposal for a better method to handle the reparations problem.

B. Only the Soviet and Australian representatives showed general dislike of procedures being contemplated by the United States Government.

C. A substantial majority, though disposed to welcome the U.S. plan of action, questioned the authority of the United States Government to issue interim directives which would establish the final Japanese peacetime level of industry.



2. Therefore, it is recommended that the United States Government adopt the following procedure:

A. Recommend the establishment of a conference on Japanese level of industry by and within the Far Eastern Commission instructed to formulate recommendations for FEC ratification on the inter-related problems of Japanese level of industry, availability of assets for removal from Japan, and procedures for their removal. Such a conference should:

(1) obtain assignment of national representatives and assisting personnel with full authority and competence to reach prompt decisions on all aspects of the level of industry problem and to determine satisfactory procedures to govern relations between the Supreme Commander and claimant countries within Japan required for prompt and equitable execution of a reparations program affecting assets within Japan;

(2) sit in continuous session until that job has been completed.

B. Conduct consultations, in the manner prescribed in the memorandum approved by the Secretary of State on October 29, for the purpose of determining national percentage shares of reparations assets within Japan, methods of seizure and disposal of those external assets deemed available for reparations, and arrangements for expediting immediate interim deliveries, the results of which would be embodied in an interim directive issued to the Supreme Commander for the Allied Powers and filed with the Far Eastern Commission.

3. It should be emphasized that a main purpose of our Reparations Conference proposal of July 25 <sup>41</sup> was to surmount the interminable delays which would have been inevitable in routine FEC handling, by delegates required to seek instructions from their governments on even minor points, of the complex level of industry problem. The proposal in 2A promises substantial success to the extent that we are able to persuade all participating countries, including the U.S., to assign to this task adequate personnel vested with adequate authority to permit real and full time negotiation around the table without the delays inherent in frequent references back for instructions. If the above condition can be fulfilled, a completed agreement could be promptly reached and would have, moreover, the incalculable advantage of representing a formal and responsible international decision on the basic question of Japan's peacetime economic level. If prompt decisions are not reached in the Far Eastern Commission, eventual issuance of a United States interim directive could then be based upon full and formal exchange of governmental views which had been expressed in the Far Eastern Commission deliberations on this problem.

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<sup>41</sup> See circular telegram of July 26, 1 p. m., p. 560.

740.00119 PW/11-1246

*Ambassador Edwin W. Pauley to the Secretary of State*

WASHINGTON, November 12, 1946.

MY DEAR MR. SECRETARY: I have today submitted to the President my report dated April 1, 1946, on Japanese Reparations.

The report as submitted includes all the changes agreed upon between members of your staff and my Chief of Staff during the review of the report which they made in March and April. It was submitted to Willard L. Thorp, Assistant Secretary, on 2 May 1946, with a request that it be sponsored by the Department of State in the State, War, Navy Coordinating Committee for the purpose of securing concurrence of that Committee. On October 14, I received a letter from W. L. Clayton, Under Secretary of State for Economic Affairs, to the effect that my report had been the basis of a series of papers which had been approved by the State, War, Navy Coordinating Committee or were under consideration by it.

Since the Department appears to be in full accord with my recommendations, I can see no further reason for keeping the essence of the reparations program a secret. The press and the public have been asking for information and unless I hear from you to the contrary I should like to issue a statement in the form of the attached release.<sup>42</sup> I trust you will concur in this action.

May I express my appreciation for the fine cooperation received from yourself and from the many members of your Department who have been involved with me and my staff in the development of this program.

Respectfully,

EDWIN W. PAULEY

740.00119 PW/11-1246

*The Acting Secretary of State to Ambassador Edwin W. Pauley*

WASHINGTON, November 15, 1946.

MY DEAR MR. PAULEY: I referred to Secretary Byrnes your letter of November 12 with respect to the press release which you wished to issue on your report on Japanese Reparations. I received Mr. Byrnes' instructions this morning and hasten to communicate his views to you.

Mr. Byrnes agrees that a release of this general character is desirable at this time. He believes, however, that the release should be made from the State Department by the Acting Secretary. He believes that there should be omitted from the release the discussion on

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<sup>42</sup> Draft not printed.

pages four through six with respect to the implementation of your recommendations, both by means of the Inter-Allied Reparations Commission and by the staff of the Supreme Commander for the Allied Powers.

As you know the problem of setting up an Inter-Allied organization for this purpose has been of great concern to the State Department for over six months. Despite vigorous proposals to put through your recommendation it has proved impossible to secure the approval of the Far Eastern Commission for it. At the present time a number of alternatives are being explored. In this situation it would cause confusion to have the recommendation contained in the draft press release put out at this time.

Furthermore, the material with respect to SCAP's organization and operations is not of sufficient policy importance to justify inclusion in a statement of this character, devoted as it is to basic issues of major international significance.

I have prepared a draft release which I believe carries out Mr. Byrnes' instructions to me. If this meets with your approval I am prepared to issue it today.<sup>43</sup>

The Secretary wishes to take this opportunity to express the appreciation of the State Department for the contribution which this report and the other reports which you and your staff have prepared on Japanese Reparations have made to the United States policy on this subject.

Sincerely yours,

DEAN ACHESON

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740.00119PW/11-2146

*Memorandum by the Chief of the Division of Japanese and Korean Economic Affairs (Martin) to the Assistant Secretary of State for Occupied Areas (Hilldring)*

[WASHINGTON,] November 21, 1946.

SWNCC 236/29<sup>44</sup> is approved by JK subject to the following amendments:

1. Paragraph 8, "Conclusions", be amended to read, in its entirety:

"Countries receiving industrial machinery, equipment, or supplies from Japan on reparations account should obligate themselves not to offer such assets for sale or barter to another country within three years from the date of assignment of title of facilities, (as defined in

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<sup>43</sup> Mr. Pauley replied on November 16: "I enter no objection to the draft release." (740.00119 PW/11-1646) For the statement by the Acting Secretary of State as released on November 17, see Department of State *Bulletin*, November 24, 1946, p. 957.

<sup>44</sup> October 29, not printed; see SWNCC 236/24, October 2, and footnote 20, p. 574.



SWNCC 236/20 <sup>45</sup>). This general restriction should not be interpreted as limiting the right of a recipient country to dispose of reparations goods to its own nationals, wherever domiciled; to any person, irrespective of nationality, for use within the recipient country; to satisfy private claims of persons arising out of war damage, or to barter such goods with other reparations receiving countries in exchange for other assets allotted on reparations account. Insofar as fulfillment of the U.S. claim for industrial equipment is in excess of ability or desire of the U.S. to utilize it, the U.S. shall have the right to allocate, or otherwise dispose of its claim, to other claimants and to Korea without charge, in such manner as the U.S. deems most likely to assist the rehabilitation of the Far Eastern economy."

The foregoing is a clarification of the conditions under which a reparations recipient may dispose of assets which is considered necessary to prevent the confusion which might arise through misinterpretation of the present wording of paragraph 8.

2. Paragraph 10, "Discussion", should be amended to read:

"It is stated above that the U.S. should require that all Japanese liquid assets be made available if necessary to cover the costs of imports into Japan for civilian supply. It is recognized that gold and other precious metals found in Japan do represent a category of reparations assets of special and particular interest, both economic and political, to claimant countries whose restitution claims will in many cases be unfulfilled due to difficulty of identification. Nevertheless, it has been recommended that gold and silver be held as available to meet costs of imports, and only if a surplus remains when U.S. responsibility for Japan's trade balance has ended, should gold and silver be distributed up to the value of total proven losses."

As presently worded, paragraph 10 states that gold and silver will be distributed against losses before being made available to meet occupation costs, which is in direct conflict with statements elsewhere in the paper, and the intended policy.

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740.00119 PW/12-1646

*Mr. Ben C. Limb to Ambassador Edwin W. Pauley* <sup>46</sup>

WASHINGTON, November 25, 1946.

DEAR MR. PAULEY: I have read of the call for the Reparations Conference and have noticed the number of countries invited to attend.

I cannot understand the omission of Korea which, more than any other Nation in the world, has a prior claim on Japan for reparations.

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<sup>45</sup> July 23, on the delivery of reparations goods in Japan, not printed.

<sup>46</sup> Copy transmitted to the Department by Mr. Pauley with his letter of December 16, 1946, to Acting Secretary of State Acheson; on January 8, 1947, Mr. Acheson replied to Mr. Pauley and stated: "I agree that we cannot afford to recognize Mr. Limb or Dr. Rhee at this time" and transmitted copy of a letter

You have visited our country and know the story at first hand.

I am directed by radiogram from Seoul by Dr. Syngman Rhee, Chairman of the Representative Democratic Council of South Korea, to request the inclusion of Korea in this conference, and I shall respectfully await your reply.

With my highest esteem [etc.]

BEN C. LIMB

*Chairman of Korean Commission*

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740.00119 PW/11-2646

*Memorandum of Conversation, by the Chief of the Division of Japanese Affairs (Borton)*

[WASHINGTON,] November 26, 1946.

Participants: FE, Mr. Vincent

JA, Mr. Borton

Dr. Melquiades J. Gamboa, First Secretary of the Philippine Embassy

Dr. Gamboa called, at his request, to report that he had received a message from Manila stating that the Philippine Government was desirous of participating in the consultations proposed by the United States Government on preparation of interim directives on the various aspects of the reparations problem. He said, however, that he was requested to obtain answers to three specific questions, namely: where the discussions would take place, the size of the Philippine representation in the discussions, and the extent to which the Philippine members would participate in the discussion.

Mr. Vincent answered that the discussions would take place in Washington, that the Philippines could send as many persons as they desired but that presumably they would have one person as chief representative with advisors and technicians. Dr. Gamboa was also told that Philippine participation would be on the same basis as that of any other country, bearing in mind the fact, that as the United States had responsibility for issuing the directives, naturally it would not wish to be put in a position of issuing a directive with which it did not agree. Dr. Gamboa was also informed that every attempt would be

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of the same date from Mr. Martin to Mr. Limb. This letter stated: "The negotiations for a settlement of Japanese reparations issues will be carried out on a governmental level by the countries represented on the Far Eastern Commission. As part of its responsibility for Southern Korea the United States Government will, as it has previously announced, use a portion of the allocation made to it to secure industrial equipment from Japan for installation in Southern Korea.

"You may be sure that the United States will be vigilant in protecting the interests of the people of Korea in securing assistance from Japan to make up for their many years of exploitation by the Japanese." (740.00119 PW/12-1646)

made to achieve as much unanimity as possible in the discussions, but that no formal voting procedure was contemplated.

Dr. Gamboa seemed satisfied with these answers and felt that the acceptance of his Government of the United States proposal to hold consultations was not contingent upon the answers to the questions which he had raised.<sup>47</sup>

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740.00119 P.W./11-2746

*Memorandum by Mr. Robert W. Barnett, Special Assistant for SWNCC Affairs, Division of Japanese and Korean Economic Affairs*

WASHINGTON, 27 November 1946.

Subject: Advance Transfers Paper

1. Attached is a further revision of the Advance Transfer paper.<sup>48</sup> As before, this paper shows the SWNCC language amended, with appropriate underlining, etc., to bring the SWNCC paper in line with the intent of Mr. Byrnes' memorandum which has underlain General Hilldring's conversations with the 10 other member countries of the Far Eastern Commission.

2. You will note:

a. China, the Philippines, the Netherlands and the U.K. are specifically designated as beneficiaries in the advance transfer program;

b. The Chinese percentage has been raised from 5 to 15%;

c. The total percentage removable under advance transfers has been raised from 15 to 30%;

d. Advance transfer removals must not result in "disproportional" reduction of quality or value of residual industrial capacity;

e. The recommendation calls for issuance of the conclusions as an interim directive.

3. I hope you will offer me your initial comments on this revised version of the SWNCC paper at your earliest convenience.<sup>49</sup> General Hilldring will want to be advised on what the United States Government is prepared to do when the returns are all in from his ten-country negotiations on the reparations problem as a whole.

ROBERT W. BARNETT

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<sup>47</sup> On December 3 Dr. Gamboa telephoned Mr. Borton to state that his Government had authorized two representatives to consult with Far Eastern Commission members on questions of reparations (740.00119 PW/12-346).

<sup>48</sup> Not printed.

<sup>49</sup> Of five officers to whom this memorandum was addressed, three replied: "OK".



740.00119 PW/12-246

*The Netherlands Ambassador (Loudon) to the Director of the Office  
of Far Eastern Affairs (Vincent)*<sup>50</sup>

WASHINGTON, December 2, 1946.

MY DEAR MR. VINCENT: I have the honor to inform you that the Netherlands Government agree to the proposal with regard to the participation in the consultation on the subject of reparations by Japan<sup>51</sup> as explained by you on November 7th and as confirmed in the memorandum handed by you to Dr. de Kat Angelino and Dr. Weyer at that occasion.

The Netherlands Government have arrived at this decision because they do not see under the prevailing circumstances any other way of arriving at a better solution. Should, however, in the course of the discussions which we sincerely hope will now soon be held, alternative proposals emanate from other Delegations, the Netherlands Delegation would consider itself free to partake in the discussion of such alternatives and eventually give its support thereto.

Believe me [etc.]

A. LOUDON

894.85/10-2546

*The Department of State to the British Embassy*

## MEMORANDUM

The Department of State acknowledges the receipt of the memorandum from the British Embassy, dated 25 October 1946,<sup>52</sup> with respect to the adoption of the formula used by the Inter-Allied Reparations Agency for Germany, in the allocation as reparations of Japanese shipping tonnage.

The United States Government has not decided its position on this point. It does wish to call to the attention of the British Government the fact that, in the course of the discussion on this subject by the Inter-Allied Reparations Agency for Germany, the United States Representative incorporated in the minutes, with unanimous approval, the reservation that this basis of settlement was accepted by the United States solely because it was statistically desirable in the present instance and that it did not constitute a precedent for the United States

<sup>50</sup> Ambassador Loudon was the Netherlands Chief Representative on the Far Eastern Commission. His letter was acknowledged by Mr. Vincent on December 11.

<sup>51</sup> See memorandum by Mr. Martin to General Hilldring, November 12, p. 590.

<sup>52</sup> Not printed, but see memorandum of conversation, October 25, p. 586.

in the distribution of Japanese shipping. Hence, the United States Government feels entirely free to approach this problem on the basis of its merits in connection with the over-all problems involved in the Japanese Reparations Settlement.

WASHINGTON, December 6, 1946.

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740.00119 PW/12-646 : Circular airgram

*The Acting Secretary of State to Certain Chiefs of Mission*<sup>53</sup>

RESTRICTED

WASHINGTON, December 6, 1946—8:45 a. m.

### US PROPOSALS RE JAPANESE REPARATIONS

In separate conversations designed to obtain the widest possible agreement to US reparations proposals, a memorandum was handed the representative of each member state of the Far Eastern Commission. The text of the memorandum is as follows:

“The failure to settle basic reparations questions prevents the stabilization of the Japanese economy at peacetime levels, impedes the occupation of Japan, increases the burdens of the American taxpayer, and prevents potential recipients of Japanese industrial equipment from reconstituting their own economies, while valuable industrial assets continue to deteriorate. The failure of the Far Eastern Commission to agree to sponsor the holding of a reparations conference makes it imperative to settle the question in some other way consistent with the Terms of Reference of the Far Eastern Commission. Consequently, the United States Government is considering taking the steps outlined below:

The issuance by the United States Government of suitable interim directives on reparations, determining levels of industry, making allocations of shares and directing removals. The Directives contemplated are (a) an initial Directive covering 15 or 20% of total available reparations, in order to get reparations deliveries rolling; (b) directives covering the final comprehensive reparations settlement. The U.S. Government would confer with all Governments on the FEC, inviting them to participate in the formulation of the Directives. Consultations would be conducted with representatives of the participating states, meeting continuously until interim Directives have been prepared. It would be the aim of the United States to produce interim Directives that have the fullest possible support of the participants and every effort would be made by the United States to achieve that end.

The interim Directives formulated as indicated above would be issued to the Supreme Commander and placed before the FEC like other interim Directives, in accordance with the terms of reference of the Commission.

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<sup>53</sup> At Canberra, The Hague, London, Manila, Moscow, Nanking, New Delhi, Ottawa, Paris, Tokyo, and Wellington.

In the event that the U.S. Government decides to proceed on the foregoing basis, this Government would welcome participation on the part of your Government in the consultations referred to above and this Government would appreciate receiving at the earliest practicable date an indication from your Government whether it would participate in such consultations."

ACHESON

740.00119 P.W./10-2846

*Memorandum by the State Department Member of the State-War-Navy Coordinating Committee (Hilldring) to the Secretary of the Committee (Moseley)* <sup>54</sup>

[WASHINGTON, December 10, 1946 (?).]

Subject: SWN-4857,<sup>55</sup> Restitution of Looted Property in Japan

The State Member, in reference to the SWN memorandum of October 28, 1946, considers that submission of the message from the Supreme Commander for the Allied Powers to the Far Eastern Commission for clarification is inadvisable, due to the fact that the problem of a limiting date as applied to restitution matters, was considered in the discussions in the Far Eastern Commission leading up to the issuance of FEC 011/12 (Serial Directive #57).<sup>56</sup> None of the dates suggested was generally acceptable, resulting in elimination of a limiting date as the only agreeable provision. It will be recognized that several other nations in the Far Eastern Commission have a vital interest in this question, and in view of previous acceptance of their point of view, it appears inappropriate for the United States Government to reintroduce the question.

Instead of submission to the Far Eastern Commission, it is recommended that the following message be approved for transmission to the Supreme Commander:

"U.S. Government fully aware of administrative difficulties in carrying out restitution policy in WCL 30315, because of absence of limiting date. Difference from previous SWNCC position in that respect due to grievances of other powers in FEC against Japan arising out of occupation of their territory prior to date contained in SWNCC policy. Disagreement on date in FEC resulted in impossibility of agreeing except by omitting date. Although requests for restitution must be accepted regardless of date of removal as long as Japs in actual occupation of territories in question at time of removal, FEC decision interpreted here as authorizing you to set reasonable

<sup>54</sup> Received by SWNCC on January 6, 1947.

<sup>55</sup> October 28, p. 587.

<sup>56</sup> SWNCC in its SWN-5010, December 27, quoted SCAP's message to the Joint Chiefs of Staff, replying to its serial 57, July 25, that, for the time being, "No action has been taken on pending claims enumerated in ourad C-66574", October 23 (740.00119 P.W./12-2746).



standards respect establishment of title, location, and identification, including placement of burden of proof on claimant country, and refuse action on or reject claims which do not meet such standards."

J. H. HILLDRING

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740.00119 PW/12-1746

*Memorandum by the Acting Associate Chief of the Division of Japanese and Korean Economic Affairs (Hodge) to Mr. Joseph A. Frank, of the Office of the Assistant Secretary of State for Occupied Areas*

[WASHINGTON,] December 17, 1946.

Pursuant to our conversation today, attached are copies of FEC-084/1 and FEC-084/3.<sup>57</sup> The former (FEC-084/1) is basically the U.S. position on Industrial Disarmament of Japan (originally SWNCC 302) as amended in FEC negotiations to date, which amendments have been agreed to by the U.S. after clearance with A-H and SWNCC. The latter (FEC-084/3) contains two new Chinese proposed additions to the selected list of "War supporting industries" contained in FEC-084/1, viz., the addition of the *heavy mechanical equipment industry*, and the addition of the *optical and precision instruments industry*.

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740.00119 PW/12-2346 : Telegram

*The Secretary of State to the Chargé in the United Kingdom (Gallman)*

SECRET

WASHINGTON, December 23, 1946—8 p. m.

8285. On Nov 6 Asst Secy Hilldring handed British Embassy here proposal (see Dept Info Circular Airgram Dec 6, 8:45 AM) for handling Jap reparations settlement. Proposal called for US issuance interim emergency directives within terms of reference of FEC where nine month stalemate on consideration disposition external assets paralyzes progress solution broad reparations problem. Though requested reply promptly, British say matter still under consideration London. British Embassy understands urgency, but we urge you approach Lon-

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<sup>57</sup> Not attached to file copy of this document.

don FonOff to indicate importance prompt transmittal British views this matter.<sup>58</sup>

BYRNES

740.00119 P.W./12-2846

*Ambassador Edwin W. Pauley to the Secretary of State*

WASHINGTON, December 28, 1946.

MY DEAR MR. SECRETARY: I have reviewed a document by SCAP apparently under the date of September 26, 1946, entitled "Comments on Ambassador Pauley's Report to the President". Comparison of the comments in this document with my comprehensive report shows that there are only three cases of what I would call marked disagreement with my recommendations. In seven cases SCAP proposes some increases of the capacities which I recommended to remain in Japan. Most of them are not large in magnitude or are in relatively small sectors of war potential industries. Much of the discussion relates either to interpretation or repeats my own recommendations in somewhat different language. In about ten cases SCAP either comments that my findings are premature or arbitrary or otherwise indicates that a decision should not yet be made.

In most cases where SCAP requests delaying a decision I would recommend that a decision be made subject to revision should it become necessary. In preparing my report, I anticipated that changes would be made from time to time and most scrupulously avoided referring to my program as a "final reparations program". Instead I have called it a comprehensive reparations program in order to distinguish it from my Interim Program which already has been substantially approved by SWNCC and by the FEC.

In addition to this, the second and third paragraph of my report points out that the information on which it was based came primarily from information furnished by the Japanese government and turned over to my Mission after analysis by SCAP. Where matters could not be determined with arithmetical definiteness, my recommendations have been based upon the judgments of well qualified members of my Mission. While a decision may be made more easily and surely

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<sup>58</sup> In telegram 10247, December 24, 1 p. m., from London, Mr. Gallman reported that the British Foreign Office "expressed regret for delay, adding that owing complicated nature question and necessity for consultations other govt depts and dominions it could not say definitely when British views will be forthcoming." (740.00119 P.W./12-2446)

at a later time, I believe sufficient qualified judgment is available to make decisions at this time on all matters covered by my report. A decision on a matter of policy aids in making other decisions and would remove some uncertainties about which SCAP has complained.

For example, SCAP comment on my recommendation for a Merchant Shipping limit of 1,500,000 gross tons is that any reduction below 2,000,000 is inconsistent or at least premature "under present uncertainty as to participation in world trade to be allowed Japan . . .".<sup>59</sup> I feel no uncertainty as to Japan's proper participation in world trade and have recommended where she should participate and to what extent. My conclusion was based on data which I understand has not been modified substantially and upon advice obtained from U. S. Navy authorities in Japan by members of my staff. The immediate effect of my program would be to make some ships larger than 5,000 gross tons (which SCAP agrees should be prohibited to Japan) available as reparations as soon as salvage and repair activities would bring the total shipping above the limit. This would allow settlement of the shipyard capacity question which SCAP also wishes to delay. Both these items are needed for reparations and the claimants are entitled to know what to expect.

SCAP's comments emphasize the necessity for exporting sufficient products to pay for required imports. In support of this a plea is made on the grounds of the need for consumer goods in the remainder of Asia. I have spent considerable time both in Japan and in other parts of the Far East and realize full well both needs. However, having been both places, I realize the necessity for not allowing my concern for the export-import balance of Japan to blind me to the fact that most of the remainder of Asia is in no position to pay for imports from Japan or from anywhere else not able and willing to extend credit. The trade balance of the remainder of Asia wherein our Allies are struggling for existence without the help of a unified, powerful, and wealthy agency will also be unfavorable until industry is rehabilitated and expanded far beyond its previous levels. This is a pragmatic fact; the conviction that something should be done to correct it may be "utopian". Possibly it is also "utopian" to be as concerned about our long term security in the Far East as with our immediate material problems.

SCAP fears the economic vacuum which might be created by removal of industry from Japan. The economic vacuum already exists and has existed since before the end of the war. We can allow filling of this vacuum by restoring the subsidized industrial economy of Japan or by the more difficult but more permanent relief obtainable by encouraging in all Asia industries able to live in a competitive world.

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<sup>59</sup> Omission indicated in the original.



SCAP is concerned that "Large masses of people in Asiatic and Pacific areas will simply go without such basic needs as textiles, fuel, building materials and other similar items unless they can be produced by existing plant capacity, most of which is in Japan". Heretofore SCAP has contended that Japanese textile capacity was inadequate for home needs. As I urged early last summer, the best help that can be given the fuel situation in China is to move some electric generating equipment into the coal mining areas of Manchuria to replace that removed by the Soviets. As for building materials, most of them are bulky, cheap commodities which cannot be shipped any great distance and be sold profitably at a reasonable price. The exceptions are lumber and steel. The former is in short supply in Japan. The latter can not be made economically in large quantity in Japan because of the necessity for importing raw materials to the extent of about four tons for each ton of steel produced. Economic conditions other than the reparations program will limit the exports of these commodities.

As for delays in the reparations program, I share SCAP's concern. However, with physical and economic conditions as they are in Japan, I am far from confident that in a few years sufficient production could be secured to create a surplus greater than the production that could be obtained by moving facilities from Japan if prompt action is allowed to follow the year that has been wasted to date. Further delays, including some delays urged by SCAP, could nullify many of the objectives of our policies and could lose attainments which victory has put into our grasp.

In one other place SCAP expresses concern about the remainder of Asia. SCAP fears that the remainder of Asia will become dependent on Japan for spare parts and for replacements of equipment obtained as reparations when it is worn out. The possibilities of dependency upon Japan for spare parts and replacements was given serious consideration by my staff, but under the circumstances were considered to be not controlling. The most important category of reparations which would be concerned is machine tools. If machine tools were available to the recipient countries, they could make their own replacement parts and would not have to import them from Japan. If Japan's productive capacity for machine tools was reduced to about her own requirements, she could not export sufficient to suppress the manufacture of machine tools in the recipient countries. We should remember furthermore that many Japanese machines are copies of U. S., British and German machines. Replacements of a copy by an original should not be hard to sell.

All the other significant comments of SCAP are for a more liberal treatment of the Japanese economy. These include a number of spe-

cific recommendations for higher levels to be retained in certain industries; SCAP proposes no reductions.

Most of the remainder of SCAP comments relate to the relevancy of certain portions of my report to the subject of reparations. For example, my recommendations on agriculture and food are criticized as being "too far removed from reparations" and are characterized as "relative superficial observations". As a matter of fact my Mission made a careful study utilizing the years of experience in the Far East of some of the members. I early realized the importance of a maximum food production to the reparations program because food will represent the largest category of imports. Increasing food production in Japan should do more to bring about a balance of imports and exports than any other program requiring the same amount of effort. The reparations program in turn can be made effectively complete when the trade balance is restored.

The levels of operation actually achieved by industries in Japan will not be limited by lack of capacity for some time, except, of course, in those industries which are prohibited entirely. Japan will have excess capacities under my program and reparations will not affect recovery of the economy except psychologically. Much of the psychological difficulty will be removed when a comprehensive assured retention program is adopted. While many SCAP comments can be taken as a word of caution, they doubtless reflect concern over something that if it happened at all could only happen some years hence.

In total, I cannot object to most of SCAP recommendations as seriously impairing the reparations program. I do not agree with many of them as exemplified above, but at this point I am concerned more with delays than I am over a move to shave down the quantities of goods to be available for reparations.

Sincerely yours,

EDWIN W. PAULEY

## KOREA

### GENERAL POLITICAL POLICIES OF THE UNITED STATES TOWARD KOREA<sup>1</sup>

Records of the State-War-Navy Coordinating  
Committee, Lot 52-M45, 091 Korea: Telegram

*General of the Army Douglas MacArthur to the Joint Chiefs of Staff*

CONFIDENTIAL

[Tokyo,] 30 December 1945.

PRIORITY

CA 56514. Following recommendation has been received from ComGen USAFIK:<sup>2</sup>

"There is great pressure here to send Korean delegation to UNO convention in January with expenses paid by Koreans. Believe advantage in lift of morale of Korean people would justify the authorization and warrant use of air transport."

As the subject matter exceeds my authority, request instructions upon which I can base a reply.

[MACARTHUR]

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Records of the State-War-Navy Coordinating  
Committee, Lot 52-M45, 091 Korea

*Memorandum by the State Department Member of the State-War-Navy Coordinating Committee (Dunn) to the Committee*

WASHINGTON, January 4, 1946.

Subject: Korean Delegation to United Nations Convention

Reference is made to SM-4613 dated December 31, 1945<sup>4</sup> on the above subject and enclosing a copy of War Department telegram CM-IN 8258 of December 30, 1945.<sup>5</sup>

The following memorandum was sent to the Operations Division, War Department General Staff on January 3, 1946 prior to the receipt of SM-4613 under reference:

"(1) It is suggested that with a view to obtaining more accurate information upon which to base a decision General Hodge be asked

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<sup>1</sup> For previous documentation on Korea, see *Foreign Relations*, 1945, vol. VI, pp. 1018 ff.

<sup>2</sup> Lt. Gen. John R. Hodge.

<sup>4</sup> Not printed.

<sup>5</sup> *Supra*.



for details regarding the extent and scope of the 'great pressure' mentioned by him.

"(2) It is suggested that General Hodge be informed that it is not within our competence to consent to a formal Korean delegation or a group of observers to proceed to the UNO meeting, as this matter would have to be taken up and cleared with the other United Nations.

"(3) The State Department would have no objection, however, to a grant by General Hodge of transportation facilities to London for one or two Korean individuals, provided the General felt that such action would prove of definite value to him in his administration of Korea and provided also that it was clearly understood that the Koreans were going, not as officials or as a delegation, but purely as private individuals."<sup>6</sup>

It is recommended that the Secretariat be authorized to inform the Joint Chiefs of Staff of the action taken as outlined above.

JAMES CLEMENT DUNN

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740.00119 Control (Korea)/1-446

*Memorandum of Conversation, by the Under Secretary of State  
(Acheson)*

[WASHINGTON,] January 4, 1946.

The Chinese Ambassador<sup>7</sup> called on me at his request. He referred to earlier talks which he had had with the Secretary and with Mr. Vincent<sup>8</sup> about plans for trusteeship for Korea. He said that he had discussed with Mr. Vincent a draft paper outlining the plan for trusteeship. He assumed that the procedure now would be that the American-Soviet Commission would consider whether a trusteeship was necessary and, if so, would recommend to the four governments the form which the proposed trusteeship should take. I said that I assumed this was correct. He then asked whether I could tell him what the Soviet attitude was toward a trusteeship. He said that the attitude of his government was that it hoped a trusteeship would not be necessary as it felt that would greatly complicate the Korean situation. I told the Ambassador that I did not have the information necessary to answer his question. I gathered from the Moscow communiqué<sup>9</sup> and from the Secretary's radio speech<sup>10</sup> that we also hoped

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<sup>6</sup> The quoted paragraphs were sent to General MacArthur by the War Department in telegram Warx 93660, January 18.

<sup>7</sup> Wei Tao-ming.

<sup>8</sup> John Carter Vincent, Director of the Office of Far Eastern Affairs.

<sup>9</sup> For the communiqué issued December 27, 1945, by the Foreign Ministers of the United States, United Kingdom, and Soviet Union on their conference at Moscow, see Department of State *Bulletin*, December 30, 1945, p. 1027. See also telegram 4284, December 27, 1945, 3 a.m., from Moscow, *Foreign Relations*, 1945, vol. vi, p. 1150.

<sup>10</sup> For text of radio address on December 30, 1945, see Department of State *Bulletin*, December 30, 1945, p. 1033.

that a trusteeship would not be necessary and since the communiqué had been joined in by the Soviet Government I knew of no reason to suppose that that Government did not share the same view.

DEAN ACHESON

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Records of the State-War-Navy Coordinating Committee,  
Lot 52-M45, SWNCC 176 Series: Telegram

*The Joint Chiefs of Staff to General of the Army Douglas MacArthur,  
at Tokyo*<sup>11</sup>

SECRET

[WASHINGTON,] 5 January 1946.

Warx 91640. The following directive, received from the State, War and Navy Departments, is furnished for your guidance:

*Directive begins:*

1. You are hereby charged with the responsibility for carrying out for the United States the provisions of Section III (Korea) of the Moscow Communiqué.

2. In connection with Paragraph 4 of the Korean Section of the Moscow Communiqué you will arrange for the conference specified therein. The following general points are furnished you for the guidance of the U.S. representatives at the conference:

a. Pending further Joint Chiefs of Staff instructions, you will retain full responsibility for the administration of Korea south of 38 degrees north latitude, subject to boundary changes of the sort suggested in your CA 53789 of 24 October and Warx 81584 of 7 November.<sup>12</sup>

b. Pending further Joint Chiefs of Staff instructions, political matters will not be discussed, the U. S. representatives limiting their discussion to economic and administrative matters.

c. It is believed that you should seek, so far as possible, Soviet concurrence with the economic and administrative matters outlined in your CA 53789 and such other economic or administrative matters as you desire. In this connection you are authorized to reach all necessary agreements to achieve these ends, so long as they are in consonance with the basic objectives expressed in SWNCC 176/8,<sup>13</sup> the basic directive with regard to Korea.

d. You are further authorized to make such agreements for exchange of liaison personnel and such other movement of U. S. and Soviet military personnel between the two zones as you believe desirable and advantageous.

3. In connection with Paragraphs 2 and 3 of the Korean Section of the Moscow Communiqué, you will arrange for an early meeting of the Joint United States-Soviet Commission. You will receive from

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<sup>11</sup> Copy transmitted by the Joint Chiefs of Staff on January 7 to the State-War-Navy Coordinating Committee.

<sup>12</sup> Neither printed.

<sup>13</sup> October 13, 1945, *Foreign Relations*, 1945, vol. VI, p. 1073.

the State, War and Navy Departments, through the Joint Chiefs of Staff, early political guidance for meetings of the Joint Commission.

4. You will keep the Joint Chiefs of Staff fully informed of the results of all conferences between your representatives and those of the Soviet Commander in Korea.

*End of directive.*

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895.01/1-1246 : Telegram

*The Political Adviser in Korea (Benninghoff) to the Secretary of State*

CONFIDENTIAL

[SEOUL,] 7 January 1946.

Tfycgj 219 [to Tokyo]. The Moscow Communiqué provides for the creation of a provisional Korean Democratic Government. There is already in existence a Korean Provisional Government headed by Kim Koo who is an important political factor in Korea at present.

The Public Information Section of Military Government, which is about to initiate a publicity campaign in connection with the new set up, has suggested that in order to avoid confusion and possible charges of favoritism it adopt the term Interim Government.

It is also suggested that the various concerned agencies in Washington adopt that terminology.

In view of the circumstances outlined above and also having in mind the possibility that Kim Koo might use the similarity in terminology for his own political purposes, I heartily indorse the suggestion of the Public Information Section and hope that the Department will consider using the word Interim when referring to the regime to be established under the aegis of the US-Soviet Joint Commission.

[BENNINGHOFF]

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740.00119 Control (Korea)/1-1246 : Telegram

*Lieutenant General John R. Hodge to the Secretary of State*

SECRET

SEOUL, undated.

[Received January 12, 1946—12:15 p. m.]

Tfgbi 125 [to Tokyo]. Following letter received 8 January from Colonel General Ivan Mikhailovich Chistiakov, Commanding General 25th Army Soviet Forces in Korea.

“Dear General: I have received from my Commanding Officer orders to discuss with you important questions about south and north



Korea, and to take measures to establish permanent administrative coordination between American Command of South Korea and the Soviet Command of North Korea. It is necessary to do so within 2 weeks of conference between representatives of American and Soviet Commands in Korea.

Hereby, I have the honor to inform you of our readiness to conduct such a conference.

The representative of the Soviet Command in this conference is Colonel General Shtikov, who is ready to meet with your representatives between the 15th and 20th January, 1946, in Seoul or any other place convenient to you.

Colonel General Shtikov will be accompanied by the Political Advisor Tsarapkin, Major General Panin [*Shanin*], Major General Romanyenko and the group of advisors and technical personnel of between 12 and 15 men.

If you are ready to conduct the above mentioned conference, will you kindly appoint your representatives and inform me of your agreement about conduction this conference.

Respectfully yours, Chistiakov, Colonel General."

My reply by letter dated 9 January follows:

"Dear General Chistiakov: I have the honor to have received your letter of 8 January in reference to a meeting between representatives of the Soviet and American forces in Korea.

I suggest that the place of meeting be at Seoul and that the date be not later than 15 January, 1946, or as soon thereafter as your party can arrange.<sup>14</sup>

I will provide accommodations for the Soviet party of 12 to 15 persons. If there is any change in the total number in the party, it is requested that I be informed in sufficient time to make the necessary billeting arrangements. It is also requested that I be furnished with a full list of your party by rank and a statement of office equipment desired by them. These may be dispatched by telephone direct to my headquarters or through the Soviet Consulate.

Major General A. V. Arnold will head the American committee for the conference with Colonel General Shtikov and will have the necessary and appropriate technical personnel readily available.

It is presumed that the Soviet personnel will travel to Seoul by rail. If this assumption is correct, it is requested that I be informed of the expected time and date of arrival in order that we may meet and transport them.

In order to facilitate further communication between our two headquarters, it is suggested that you place a Russian English language interpreter on duty with your headquarters.

Sincerely yours, John R. Hodge, Lt. General, US Army, Commanding."

[HODGE]

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<sup>14</sup> For report on the conference held between January 16 and February 5, see despatch 19, February 15, from Seoul, p. 633.

740.00119 Control (Korea)/1-1246: Telegram

*The Acting Secretary of State to the Political Adviser in Korea  
(Benninghoff)*

SECRET

WASHINGTON, January 12, 1946—10 a. m.

Urtel Tfygc 220 Jan 8.<sup>15</sup>

4. In negotiations at Moscow, attention of Soviet Govt was called to problems raised in Dept's 2278 to Harriman.<sup>16</sup> Sole purpose of conference envisaged in paragraph 4 of communiqué is to solve those problems. Dept's views on those problems incorporated in SWNCC 176/13 transmitted by JCS as directive in War's 91640 of January 5. Foregoing answers paragraph 1; answers to paragraphs 2 and 3 negative; following answers paragraph 4. Dept is endeavoring arrange with War for assignment Col. Charles Thayer (FSO on military leave) to Korea for period of conference and contemplates sending no additional officers at moment. Dept feels that point 5 primarily political and not immediate concern of present conference. Replies to these and other political problems now under consideration here and will be included in directive to be issued in connection with meetings of Joint Commission. Reference point 6, communiqué reflects Soviet attitude at Moscow conference agreeing to trusteeship for consideration if proposed by Joint Commission and Koreans. British followed attitude adopted by Sterndale Bennett reference Embtel London 11925, Nov. 14.<sup>17</sup> Chinese unrepresented at Moscow but probably concur American view.

ACHESON

895.01/1-1246: Telegram

*The Acting Secretary of State to the Political Adviser in Korea  
(Benninghoff)*

WASHINGTON, January 12, 1946—1 p. m.

5. While communiqué provides for a "provisional Korean democratic govt" and not an "interim govt" as suggested in Tfygcj 219 Jan 7, this phrase not intended refer in any way to so-called "Provisional Govt" of Kim Koo. Recommend that statement be issued in Korea calling attention to fact that so-called "Provisional Govt" of Kim Koo and others is not presently a govt but is a party, and as such, may be expected to participate with other representative groups in proposed "provisional Korean democratic govt".

ACHESON

<sup>15</sup> Not printed.

<sup>16</sup> November 3, 1945, 6 p. m., to Moscow, *Foreign Relations*, 1945, vol. VI, p. 1106.

<sup>17</sup> *Foreign Relations*, 1945, vol. VI, p. 1124.

740.00119 Control (Korea)/1-1346: Telegram

*The Political Adviser in Korea (Benninghoff) to the Secretary  
of State*

SECRET

SEOUL, January 13, 1946.

[Received January 16—1:17 p. m.]

9. It is requested that an official duplicate be sent, if practicable by radio, of the Soviet text of the Korea Section in the Moscow communiqué. In the Korean version which the Russians have supplied, there appears to be differences which are, if not possibly significant, interesting at least. The word "guardianship" is given in place of the word "trusteeship", and in addition, in the third part, which the Russians supply, the clause "for developing an agreement relating to Korean trusteeship by Four Powers for a maximum period of five years" is omitted and states that the Joint Commission's proposals "will be turned over to the four guardians". We have received indications in reports from the Russian zone of Korea that an attempt is being made to sell the Koreans on the idea of "guardianship" by the Soviets. Some of the local Koreans have become suspicious of this. These Koreans have been mollified by statement of the Secretary of State but are now under the impression that the fact that the reason the Russians are advocating this idea is because it is being backed by a mysterious plot for which just now a motive cannot be found. The invitation by General Hodge to hold meetings on 15 January at Seoul has been accepted by the Russians. It is requested that you send us information regarding the Russian party's political member, Tsarapkin, by radio.<sup>13</sup>

BENNINGHOFF

740.00119 Control (Korea)/1-1946: Telegram

*Lieutenant General John R. Hodge to the War Department*

SECRET

SEOUL, January 18, 1946—5:30 p. m.

[Received January 19—7:50 p. m.]

[To Tokyo]. For JCS and State Department. Third meeting of United States and Soviet representatives opened 1300, 18 January. Discussion of agenda paragraphs continued.

1. Soviet representatives have agreed to discuss the following points: *a.* Supplying electric power to southern Korea from northern Korea. *b.* Permitting commerce in commodities such as rice, raw

<sup>13</sup> The Department replied in telegram 6, January 15, 6 p. m., that a comparison of texts revealed no omissions or inconsistencies; that the Russian word "opeka" was used interchangeably as "guardianship" or "trusteeship"; and that S. K. Tsarapkin, chief of the USA division of the Soviet Foreign Office, had previously been chief of the Japanese section and had attended various international conferences (740.00119 Control (Korea)/1-1546).



materials, fuel, industrial equipment and chemicals between north and south Korea. *c.* Railroad and motor transportation between the two zones and coastwise shipping between ports in north and south Korea. *d.* Establishment of uniform regulations of the ports and of the water born commerce between northern and southern Korean ports. *e.* Mutual payment for goods which are delivered from one zone to the other. *f.* Movement of approximately 100,000 Japanese in the category of displaced persons from north Korea to Japan. *g.* Establishment of joint United States and Soviet control posts along the boundary of zones of military responsibility. *h.* Movement of Korean citizens from one zone to the other. *i.* Movement of mail except parcels between zones. *j.* Allocation of radio broadcast frequencies in Korea. *k.* Working out of measures for the future coordination between the two commands in regards to economic administrative matters. *l.* Reestablishment of telephone and telegraph communications between the two zones.

2. The following points were left in the agenda but apparently the Soviet representatives are not empowered to discuss these points and agree to the inclusion for future study only: *a.* Transportation of coal and agriculture products through the territory of northern Korea into southern Korea (coal and agriculture products being obtained through United States channels from Manchuria). *b.* Establishment of uniform financial system. *c.* Permitting communication between the head offices of commercial organizations and their branches in different zones.

3. The Soviet representatives request that they be given the opportunity to obtain authority to discuss adjustment of the 38 degree boundary prior to inclusion in the agenda.

4. The Soviet representatives refused to agree to the inclusion of the following points in the agenda: *a.* Permitting newspaper circulation to all Korea. *b.* Prohibiting the removal of capital goods.

5. Following subcommittees were appointed; economic, administrative and transportation. These subcommittees will study points covered in agenda and prepare recommendation for presentation to formal meeting of conference on 21 January. Above not approved for press release.

[HODGE]

Records of the State-War-Navy Coordinating Committee,  
Lot 52-M45, SWNCC 176 Series : Telegram

*General of the Army Douglas MacArthur to the Joint Chiefs of Staff* <sup>19</sup>

SECRET

[Tokyo,] 22 January 1946.

CA 57133. Foll has been received from Gen Hodge:

"Although WX 91640Z <sup>20</sup> DTG 170456/Z authorized and instructed me to arrange for an early meeting of the joint US-Soviet Commission to discuss political matters, I feel that I should not approach the Russians until I have received the political directives referred to, or at least know that they will be issued shortly. Furthermore, I suggest the advisability of waiting until the present economic discussions are concluded before calling the political meeting. Not only will we know more about the gen Russian attitude by that time, but also such a delay may give the Koreans time to form some kind of united front regarding an interim govt. Finally, I suggest that the political meeting be convened as a result of inter-governmental communications rather than on my own initiative. Such approach would, I feel, give the proceedings greater dignity and demonstrate to the Russians the importance we attach to our Korean and other Far Eastern commitments. Benninghoff concurs. [Hodge"]

Prompt instructions requested.

[MACARTHUR]

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740.00119 Control (Korea)/1-2246 : Telegram

*The Political Adviser in Korea (Benninghoff) to the Secretary of State*

SECRET

SEOUL, January 22, 1946.

[Received January 25—4:05 p. m.]

From General Hodge. The Commanding General of the U. S. Forces in Korea wishes to express his appreciation to the State Department for having received from them, prior to its broadcast,<sup>21</sup> the summary of the State Department message regarding Korea. He feels that, generally speaking, such a policy will aid in our contacts with both the Koreans and the Russians. (We have not yet received a confirmation copy of the message.) He expresses the hope that advance copies will be sent in the future. Under some circumstances it might be advisable to make arrangements for releases to be made simultaneously. The two following points are raised with regard to the broadcast.

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<sup>19</sup> Copy transmitted by the Joint Chiefs of Staff on January 22 to SWNCC with the request for the basis of a reply.

<sup>20</sup> January 5, p. 607.

<sup>21</sup> For radio broadcast on Korea, January 19, see Department of State *Bulletin*, January 27, 1946, p. 104.

Your reference that Japanese technicians might possibly be employed is not understood by us. Presently the Koreans are much opposed to the continuance in service of any Jap and almost all previously employed Japs are no longer in the service of the Government. There are a few yet in the service of the Military Government but we do not advertise the fact and have intentions of removing them as soon as it is feasible. Even though the people of Korea are aware that assistance is needed, they will not take it from the Japanese.

When referring to the People's Party of Korea the State Department obviously thinks it is representative of the Liberals and not of the Communists. Such a state of affairs no longer exists as the Communists are stronger in this Party than the Liberals. This situation is elaborated upon in my November 24th [25th], Tfcgc 159.<sup>22</sup> A source close to Lyuh Woon Hyung<sup>23</sup> admits that Hun Ho<sup>24</sup> and he are no longer in control of the party as the Communist Party has usurped power. Nonetheless, they are still leaders in name and have made no open break with those actually in control of the party, perhaps because they fear being removed completely from the present political picture. We feel that at the present time the Communists (perhaps with the aid of the Russians) are making use of the People's Party, supposedly Liberal, to conduct their activities, included in which is political terrorism. They have no desire to get rid of Lyuh for this reason, and he does not wish to disappear from the political scene of his own free will, as he is an opportunist who has no backing outside the Party. [Hodge.]

[BENNINGHOFF]

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Records of the State-War-Navy Coordinating Committee,  
Lot 52-M45, 091 Korea: Telegram

*General of the Army Douglas MacArthur to the Joint Chiefs of Staff*

SECRET

Tokyo, 23 January 1946.

CA 57173. General Hodge has made the following reply to your WX 93660:<sup>25</sup>

"By 'great pressure' as used in my Tfcgcg 205,<sup>26</sup> I meant that ever since arrival US Forces in Korea all Korean groups at one time or another have complained that Korea has never been consulted con-

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<sup>22</sup> *Foreign Relations*, 1945, vol. VI, p. 1133.

<sup>23</sup> Leader of the Korean "People's Republic", September 1945, and of the People's Party.

<sup>24</sup> Hu Hun, also a leader of the Korean "People's Republic".

<sup>25</sup> January 18; see footnote 6, p. 606.

<sup>26</sup> See quotation in telegram CA 56514, December 30, 1945, p. 605.



cerning its future. This has been said regarding Cairo declaration <sup>27</sup> and other international decisions as well as division of country into two zones and the conduct of military government. It is now being said about the recent Moscow conference and the current conversations between US and Soviet Army representatives. Each group of course feels that it should be the representative.

"The Moscow communiqué, with its promise of Korean participation in political matters, together with the furor over trusteeship and the present military negotiations, have altered the picture since my Tfgcg 205, and for time being shall not try to choose Korean individuals to send to London as suggested by State Department. At a later date such a move may be advantageous, so the suggestion will be borne in mind.["]

[MACARTHUR]

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740.00119 Control (Korea)/1-2346: Telegram

*The Political Adviser in Korea (Benninghoff) to the Secretary of State*

SECRET  
PRIORITY

SEOUL, January 23, 1946.<sup>27a</sup>

13. Summary of conditions in Korea January 6 through 15.

1. Internal situation: General unrest over trusteeship proposal has somewhat quieted although considerable newspaper discussion continues, both pro and con, and several further orderly parades and demonstrations have taken place [by?] People's Public [*Republic?*] Party and Communists, possibly due to direct Soviet influence, in contradistinction to Nationalist and Democratic Parties who continue to express strong opposition but no longer publicly advocate active non-cooperation against military government. At meeting of four principal parties on January 8 resolutions were passed supporting Moscow decisions and disavowing violence as a legitimate political weapon. Kim Koo group later withdrew support of first resolution. On January 12 the National Mobilization Committee against trusteeship staged a large demonstration in Seoul against trusteeship and demanded that a Korean Government be immediately established to take over without further outside interference. The Communists have denounced the antitrusteeship movement. Civil disturbances and terroristic activities increased during the period, a number of bomb explosions and mob attacks have occurred against both right and left wing newspaper offices. Police stations both in Seoul and outlying

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<sup>27</sup> For text of declaration by President Roosevelt, Generalissimo Chiang Kai-shek, and Prime Minister Winston S. Churchill, issued on December 1, 1943, see *Foreign Relations*, The Conferences at Cairo and Tehran, 1943, p. 448.

<sup>27a</sup> Text printed from corrected copy received February 3, 6:38 p. m.

towns were also object of similar attacks and political kidnappings occurred. Though political leaders appear to be genuinely opposed to such tactics it is thought that rougher elements are now out of control as result of having been stimulated to a strong arm methods during the recent upheaval over trusteeship.

Several meetings have been held by delegates from principal political groups in an effort to secure national unity in preparation for naming of a provisional government by Soviet American Joint Commission. These efforts have resulted in little concrete headway being made, due to the intransigence particularly of right wing elements. Much interest has been invoked [*evoked?*] by the initial meetings of the Soviet American Economic Conference and the period was characterized by a jockeying for position by all political elements. Visit of Secretary of War, Patterson, on January 12 and 13 was greeted with respect and enthusiasm but produced no political outbursts.

2. Principal administrative problem now confronting military government is distribution of rice, little headway having been made during period towards getting rice into hands of consumers at ceiling prices of 750 yen per koku. Government now contemplates seizing hoarded stocks at official prices and enforcing redistribution through Korea Commodities Company, an official agency. Shortage of qualified police and military personnel to enforce program is major difficulty. Government petroleum committee is now commencing active distribution of kerosene and gasoline products to civilians throughout southern zone fixed prices. Electric power rates have been raised 159% throughout southern Korea. Basic cost of living index continued to rise during period. Taxes are now being levied on former Japanese owned properties now vested in Military Government and on property and accounts of blocked Nationals. Magistrate Courts for minor offenses have been established throughout our zone and procedures standardized.

3. External situation: Much interest in Southern Korea has been evoked over prospective meetings of Soviet American Commission. Public has been informed initial conference will deal only with administrative and economic matters and that political issues will not be discussed at this time. In North Korea Soviets are reported to have organized popular demonstrations supporting trusteeship, which they call "Guardianship", and to have placed Cho, Man Sik, leader of the Northern Wing of the Korean Democratic Party, in protective custody under Russian guard and forced his resignation from party because of his refusal publicly to support Moscow proposals.

As result of correspondence between CG USAFIK and Soviet Commander Chistiakov, January 16 was set as date for first meeting of Soviet American conference in Seoul.

BENNINGHOFF



740.00119 Control (Korea)/1-2546 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

URGENT

Moscow, January 25, 1946.

[Received January 25—9:47 a. m.]

227. There follows full translation of Tass statement on Korean question appearing Soviet press January 25.

Number of Korean newspapers published in South Korea where control is in hands of American military authorities are spreading incorrect reports concerning decision of Moscow Conference of Ministers of Foreign Affairs of USA, USSR and UK on question of Korea. These reports represent matter as if establishment of trusteeship in Korea was sought by Soviet Union whereas USA upheld opposite position.

To end of denying these incorrect reports and restoring truth Tass has been authorized to make following elucidation.

Question of Korea was raised for discussion at Moscow Conference of Ministers of Foreign Affairs at initiative of delegation of USA which presented its draft for a decision on Korea.<sup>28</sup>

In this draft Govt of US advocated that immediate goal in Korea must be formation of unified administration headed by two military commands operating jointly in all questions affecting Korea national interests, i.e., in questions affecting currency, trade, transport, etc. Along with this it was specified that Koreans would be drawn so far as feasible into unified administration as administrators and as consultants and advisers under military commanders. It was also observed in draft that unified administration was proposed as transitional step toward non-military administrative supervision of Korea on broad foundation with aim of establishing independent Korean Govt and that Four Power Trusteeship would provide most suitable machinery for realization of independence of Korea. Along with this it was proposed that four interested powers as soon as possible discuss question of establishing unified administration for Korea under a trusteeship agreement.

In American draft it was further proposed that agreement provide among other things for administrative organ (US, China, UK and USSR) operating on behalf of United Nations and people of Korea. This administrative organ should exercise such executive, legislative and judicial power as might be necessary for effective administration of Korea until such time as independent Korean Govt would be established. Administrative organ should exercise its powers and functions through High Commissioner and Executive Council consisting of representatives of states entering administrative organ. In this connection draft proposed that High Commissioner and Executive Council bring about as soon as possible political, economic and social progress of Korean people and establish popularly elected legislative

<sup>28</sup> For memorandum by the U.S. delegation at the Moscow Conference of Foreign Ministers, see *Foreign Relations*, 1945, vol. II, p. 641. It was presented at the second formal session on December 17, 1945. The text was quoted in telegram 15, January 29, 1946, 7 p. m., to Seoul, which stated that the contents represented "U.S. initial position at Moscow not to be published, but may be used by Gen. Hodge as background". (740.00119 Control (Japan)/1-2946)



organs of Korea and required judicial system in Korea,—all this in aim of establishing independent Korean Govt within period of 5 years which period might be prolonged if necessary by agreement among four states represented in administrative organ for further period not to exceed five years.

After receiving American draft Soviet delegation presented for consideration of Conference of Three Ministers its own draft decision on Korea. After having studied Soviet draft American delegation withdrew its draft from discussion and advocated adoption of Soviet draft with minor amendments. Delegation of Great Britain also agreed to this. As result of this Soviet draft was made basis of decision adopted by Moscow Conference of Three Ministers on Korea.

Decision adopted by Moscow Conference of Three Ministers on Korea which was published December 28, 1945 differs in number of essential points from original American draft.

Firstly. In American draft it was proposed for first period to form in Korea unified administration headed by two military commanders who were to exercise administration of Korea until establishment of trusteeship. Along with this it allowed for participation of Koreans in administrative organs of military commanders only as administrators, consultants and advisers. Establishment of national Korea Govt in this period was utterly unprovided for in American draft. In decision of Conference of Three Ministers, according to proposal of Soviet Govt, measures were specified for solution of urgent administrative economic questions affecting both North and South Korea and as is known this has already begun with convening in Seoul of conference now taking place of representatives of Soviet and American commands in Korea. Together with this decision recognized urgency of formation of provisional Korean Democratic Govt which corresponds to mounting national demands of Korean people and also must facilitate swiftest liquidation of ruinous consequences of prolonged Japanese domination in Korea.

Secondly. In American draft it was proposed for establishment of trusteeship in Korea to create four power administrative organ (US, USSR, Great Britain, China) which should exercise its powers and functions through High Commissioner and Executive Council of representatives of these four states. This administrative organ according to American draft was supposed to exercise executive, legislative, and judicial authority during period of establishment of trusteeship in Korea while during this period American draft did not provide for creation National Korean Govt. Question is posed in utterly different fashion in decision adopted by Moscow Conference of Three Ministers in accordance with Soviet Govt's draft. This decision not only does not postpone creation of National Korean Govt but on contrary provides for rendering of assistance in formation of provisional Korean Govt on part of representatives of Soviet Union and United States. With this aim it was decided to form Joint Soviet American Commission which must help to accelerate creation of Korean Govt, consulting with Korean democratic parties and public organizations. In this fashion four power trusteeship in Korea must be exercised through provisional Korean Govt and its organs which must insure national interests of Korean people.

Thirdly. In American draft it was proposed to establish trusteeship in Korea for period of 5 years and extension of trusteeship for 5 more years was allowed. In decision of Three Ministers according to proposal of Soviet Govt period of trusteeship was established for 5 years only. Extension of trusteeship over longer period was thereby excluded.

Thus abovementioned Korean newspaper reports distort actual state of affairs and misconstrue real position of Soviet Govt. Evidently Korean newspapers became victim of incorrect and unscrupulous information.

Sent Dept 227, repeated Chungking 16 and Frankfurt. Dept please repeat to Seoul and Tokyo.

[KENNAN]

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740.00119 Control (Korea)/1-2546: Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

CONFIDENTIAL

Moscow, January 25, 1946—7 p. m.

URGENT

[Received January 25—4:20 p. m.]

237. ReEmbtel 227, Jan 25. With respect to Tass statement on Korean question which appeared in today's Soviet press, I wish to invite Dept's attention once more to *Izvestiya's* editorial reported in Embassy's 124 Jan 12.<sup>29</sup> At time that editorial appeared Embassy drafted telegram of comment transmission of which was withheld in view of Ambassador Harriman's early arrival.<sup>30</sup> Although I did not have opportunity to bring this draft to Ambassador's attention during his recent brief stay in Moscow I consider comment drafted at that time, i.e. Jan 14, worth submission now as background for issuance of this Tass communiqué. Intended message was as follows:

"USSR has since San Francisco made it plain that in general it did not go along with either American or British conception of trusteeship. With regard to Korea in particular USSR has indicated that it favored prompt independence for that former Jap colony (Embassy's 3827, Nov 12<sup>31</sup>). Dispensation for Korea handed down at Moscow FonMins' Conference therefore provided compromise formula: Acceptance of principle of trusteeship to which Anglo-Americans had become committed but emphasis on Korean 'democratic' parties, social organizations and provisional govt.

"If there has been any doubt as to the interpretation of word 'democratic' as applied to Korea it should now be dispelled by *Izvestiya* attack on Syngman Rhee,<sup>32</sup> Kim Koo and followers. These men—

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<sup>29</sup> Telegram 124 not printed.

<sup>30</sup> The Ambassador to the Soviet Union had been absent on a visit to Bucharest, Rumania.

<sup>31</sup> *Foreign Relations*, 1945, vol. vi, p. 1121.

<sup>32</sup> Syngman Rhee, associated with independence movement since 1919, was formerly "President of the Provisional Government of the Republic of Korea" in exile and Chairman of the Korean Commission to the United States.



impractical and poorly organized though they may be—nevertheless represent a pro-American opposition to existing Soviet sponsored ‘democratic’ parties and social organizations and to concept of Soviet domination of future provisional govt. That *Izvestiya* should go to the lengths it did in condemning this opposition as reactionaries and collaborators with Japs is indicative of attitude which USSR will probably adopt in Korea under joint commission and trusteeship. Lacking solid popular support and long experience of opposition in Balkans, opposition in Korea can hardly be expected to stand up under highly organized attack of Soviet political steam roller.

“As perhaps further indication of attitude USSR may adopt in Korea under trusteeship, Soviet press reprinted *NY Times*’ article from Seoul reporting five major Korean political parties demanded that Korean Govt, when formed, should solve trusteeship question according to spirit of sovereignty and independence. (Emb’s 146, Jan 16<sup>33</sup>) This suggests that after seeking to discredit opposition and pack provisional govt with its protégés USSR will wish to operate through provisional govt to oust other foreign influence. If this scheme works out we may expect an obstreperous provisional govt which will loudly protest its democratic qualities and its competence to manage its own affairs. Any attempt from non-Soviet sources to guide or check its activities will in such circumstances elicit charges of reactionary interference and collusion with Jap collaborators.”

Today’s Tass statement seems to us to be directed primarily to Korean people. If so it is not without certain ironic connotations. By attributing to USSR responsibility for trusteeship, Korean “reactionaries” have induced USSR to reveal fully its true attitude toward Korean problem.

There can now be little doubt that USSR wishes to assure earliest and most complete exclusion of other great powers from all connection with Korean affairs. Document which it submitted at Moscow Conference was designed to achieve this aim. USSR does not hesitate to advocate arrangements which formally call for early complete exclusion of all outside powers because Soviet regime in contrast to govts of other great powers has elaborate existing techniques and machinery for penetration and puppet domination of neighboring countries which it is sure it can apply successfully to Korea if other foreign influences are removed. It is reasonable to assume in fact that USSR has in reserve at least strong nucleus of ready made native governmental apparatus including bureaucrats, militia and Korean units from Red Army which can be depended upon to follow obediently Moscow direction.

This mission would be glad to be informed of exact nature and source of Korean press comments of which Tass communiqué complains. In general we are hampered in our efforts to interpret Russian

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<sup>33</sup> Not printed.



reactions on Korean matters by our complete lack of information from Govt sources on course of events there.

Sent Dept 237, repeated Chungking 17 Frankfurt. Dept please repeat to Seoul and Tokyo.<sup>34</sup>

KENNAN

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740.00119 Control (Korea)/1-2546: Telegram

*The Acting Secretary of State to the Political Adviser in Korea  
(Benninghoff)*

SECRET

WASHINGTON, January 25, 1946—8 p. m.

US URGENT

12. For your information and transmission to General Hodge Dept has requested Joint Chiefs of Staff to concur in Dept's views set forth in this message and so to notify General MacArthur and General Hodge.<sup>35</sup>

"Dept feels that while one might reasonably interpret paragraph 4 of the Moscow Communiqué as outlined in War Tfgbi 153 and while it would obviously be desirable if we could get the Russians to place a similar interpretation on the paragraph, it is obvious that we can not expect them to accept our interpretation in its entirety. We appreciate the difficulties which face you in endeavoring to bring about extensive unification in economic administrative matters and would have been pleased if you could have obtained acceptance of your proposed agenda. However, we feel that agreement on matters of substance you have reached constitute an important step forward and are of significance in furnishing the basis for further discussions looking to agreement on a broader scale. We feel, therefore, that you should urge continuation of the Conference in order to obtain if possible agreement on some of the other important items on your agenda. We feel further that the American representative might very well urge early action in conformity with the spirit and letter of paragraph 4 of the communiqué for implementation by present agreement of 'permanent coordination' rather than adopt the vague Soviet proposal for 'measures for future coordination'. You are authorized in your discretion to inform the Soviet representative that your instructions are substantially as above.

If nothing definitive is achieved in the foregoing respect, it may become necessary for us to make our position clear in America and Korea by means of a public statement.

It is felt here that, in the face of difficulties, you are handling the situation in a very capable manner."

ACHESON

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<sup>34</sup> Repeated January 27, 6 p. m., as No. 14 to Seoul and No. 90 to Tokyo.

<sup>35</sup> This was done February 9 in telegram War 96565.

740.00119 Control (Korea)/1-2546 : Telegram

*The Ambassador to the Soviet Union (Harriman) to the Secretary of State*<sup>36</sup>

SECRET

NEW DELHI, January 25, 1946.

[Received January 28—10:45 a. m.]

From Harriman for General MacArthur, information Secretary of State. On 23 January when I met with Stalin he said he was of the opinion that there had not been a favorable start in our relations in Korea. He read a telegram to me which he had received from Korea which reported that the US representatives there were advocating that the decision to set up a trusteeship be abrogated; that meetings were being held in public at which demands were being expressed to this effect, and that articles had been carried by the Korean press which stated that only the USSR and not the US had insisted on a trusteeship. General Lerch,<sup>37</sup> Chief of Civil Administration, was named by him as being specifically implicated with the above.

I told him I would certainly have to ascertain the facts from the US side before making any comments on his reports and that I felt certain it was not necessary for me to tell him that the alleged statements which were attributed to US representatives in Korea were not representative of the US Government's position.

He in turn replied that the Government of the USSR would be forced to disclaim the statements that only the USSR had advocated the trusteeship, since this had not been done by the Government of the US.

[HARRIMAN]

740.00119 Control (Korea)/1-2546 : Telegram

*The Secretary of State to the Political Adviser in Korea (Benninghoff)*<sup>38</sup>

WASHINGTON, January 26, 1946.

13. The following is full translation of Tass statement on Korean question appearing Soviet press January 25 as received from Embassy Moscow as No. 227, January 25:

[Here follows quotation of telegram printed on page 617.]

Foregoing version of draft proposals and proceedings that led to the Moscow communiqué is substantially correct. In same connection

<sup>36</sup> Sent through military channels. Ambassador Harriman was in New Delhi en route from Moscow to Washington; his resignation was accepted February 14 by President Truman.

<sup>37</sup> Maj. Gen. Archer L. Lerch, U.S. Army.

<sup>38</sup> This telegram was not received in Seoul until February 9.

Actg. Secretary at his press conference of 25th made the following statement:

[Here follows quotation of statement printed in Department of State *Bulletin*, February 3, 1946, page 155.]

General Hodge may use the foregoing in any way he sees appropriate to clarify the matter in the minds of the public or persons interested. The American paper referred to by Tass is being communicated to you separately.<sup>39</sup> The agreement on Korea contained in the communiqué is, with two minor alterations, exactly in the form presented by the Russians.

BYRNES

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740.00119 Control (Korea)/1-2946

*Policy Paper Adopted by the State-War-Navy Coordinating Committee*<sup>40</sup>

TOP SECRET

POLITICAL POLICY FOR KOREA

THE PROBLEM

1. To determine a policy for the guidance of General MacArthur in conducting negotiations with the Soviet command in northern Korea regarding the initial powers and functions of the Joint Commission provided for in paragraph 2 of Section III (Korea) of the Moscow Communiqué and regarding the formulation of plans for the creation of a Provisional Korean Government.

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".<sup>41</sup>

DISCUSSION

3. See Appendix "B".<sup>41</sup>

CONCLUSIONS

4. It is concluded that:

a. Arrangements for an early meeting of the Joint Commission, specified in paragraph 2 of the Korean Section of the Moscow Com-

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<sup>39</sup> Sent in telegram 15, January 29; see footnote 28, p. 617.

<sup>40</sup> SWNCC 176/18, adopted January 28, 1946. Copy transmitted to the Department with SWN-3798, January 29, not printed; sent to General MacArthur by the Joint Chiefs of Staff on February 11 and to the Embassy at Moscow in instruction 998, February 12.

<sup>41</sup> Not printed.



muniqué, will be made with the Soviet Government by the State Department. It is the view of the United States Government that the Joint Commission, in accordance with the Moscow Communiqué, is to be given the following functions:

(1) To formulate plans for the creation of a provisional Korean government, in consultation with Korean democratic parties and social organizations and with a view to the presentation of these plans for the consideration of the Governments of the U.S.S.R., China, the United Kingdom and the United States, prior to final decision by the two Governments represented on the Joint Commission, as provided for in paragraph 2 of the section on Korea of the Moscow Communiqué.

(2) To work out measures, with the participation of the provisional Korean Government, for helping and assisting the political, economic and social progress of the Korean people, the development of democratic self-government and the establishment of the national independence of Korea, with a view to the submittance of these measures for the joint consideration of the Governments of the United States, U.S.S.R., United Kingdom and China, as provided for in paragraph 3 of the section on Korea in the Moscow Communiqué. These measures should include plans for a system of government to eliminate zonal arrangements in northern and southern Korea. These plans, depending upon such factors as the ability of the Koreans to organize and operate an efficient centralized administration, may or may not take the form of a trusteeship for a period not to exceed five years from the time of the issuance of the Moscow Communiqué.

(3) To take those steps which it considers desirable and which may not have been taken by the conference provided for in paragraph 4 of the section on Korea in the Moscow Communiqué, for establishing permanent coordination of economic-administrative matters between the United States Command in southern Korea and the Soviet Command in northern Korea. It is expected that these steps will lead to the integration of the civil administration of the northern and southern sectors as rapidly as possible under the centralized control of the Joint Commission, which should ultimately be "civilianized".

*b.* The United States members of the Joint Commission are to regard the formulation of plans for the creation of a provisional Korean government as their first and most pressing political task. Pending further instructions, they are not to discuss matters coming under paragraph 4 *a* (2) above. This, however, is not to be construed as limiting in any way the discussion of matters affecting the political, economic and social progress of the Korean people and the development of democratic self-government in so far as they pertain to the formulation of plans for the creation of a provisional Korean democratic government.

*c.* With a view to facilitating the creation and smooth functioning of a provisional Korean government, the United States Commander in Korea should, without delay, encourage the various Korean political factions to reach fundamental agreements on the political, economic

and social policies to be applied by the new government, including essential democratic reforms.

d. The United States members of the Joint Commission are to be given wide latitude in their negotiations with the Soviet representatives regarding the formulation of plans for the creation of a provisional Korean government, but the following points are submitted as an indication of the position favored by the United States Government:

(1) The Joint Commission should select a group of representative democratic Korean leaders for the purpose of consultation with the Joint Commission in its preparation of proposals for the establishment of a provisional Korean government. Such leaders, who should as far as practicable represent the will of the Korean people, should be selected after full consultation with all democratic parties and social organizations throughout Korea. If it is considered feasible and advisable, electoral processes may be utilized in their selection. The persons chosen should be the leaders of all the democratic political parties and social organizations which have sufficient political strength and popular backing to warrant representation and also any individual Koreans without party affiliations who have sufficient national prestige to justify their inclusion in the membership of the group. The larger and stronger parties and organizations should have representation proportionate to their political strength and popular support. Special efforts should be made to find and select a definite majority of strong competent leaders who are not extremists of either right or left. Care should be taken that the Korean leaders chosen are true Koreans and not puppets of foreign powers.

(2) If it is not possible for the Joint Commission to reach agreement on the above methods of selection or on the composition of this group of leaders, it should be proposed that the United States and Soviet Commanders in Korea should separately choose the members of the group from their respective zones. In making their choice they should follow the same general principles of selection as are outlined above. In the event of separate selection of the members of the group by the United States and Soviet Commanders, the number of members to be chosen from the two zones should be roughly proportionate to the relative populations of the two zones or at least proportionate to the number of provinces in the two zones.

(3) The Joint Commission should provide a meeting place and quarters for this group of Korean leaders at a place conveniently located with respect to the meeting place of the Joint Commission and should arrange for defrayment of the expenses of the group from funds within Korea.

(4) After the selection of the group of Korean leaders has been completed, the Joint Commission should call upon it to formulate plans in consultation with the Joint Commission, for a provisional Korean government. These plans should be submitted within a reasonable time for the consideration of the Joint Commission. The Joint Commission should then propose these plans, with such modifications as the Commission deems desirable, to the four powers.



(5) The plans for the provisional Korean government proposed by the Joint Commission should be in accord with the following points and principles:

(a) The name should indicate the provisional nature of the government.

(b) The organization of the provisional government should be simple and consonant with its provisional character.

(c) There should be provisions whereby changes can be made in the organization of the provisional government to meet changing needs and new functions and whereby there can be a gradual increase in the use of popular electoral processes for the selection of key officials.

(d) The members of the group of Korean leaders, provided for in 4 d (1) above, or specific individuals in the group, should if possible be used to form the nucleus of the provisional government.

(e) There should be concrete proposals for the initial membership of the provisional government, including the names of the individuals who are to fill the key offices provided for in the plans. The distribution of portfolios in the provisional government should be made in general in conformity with the principles for selecting the group of leaders outlined in 4 d (1) above.

(f) The duties of the provisional government should be:

(i) Progressively to assume, under the supervision and control of the Joint Commission, responsibility for administering and developing the industry, transport and agriculture of Korea and the national culture of the Korean people, as provided for in paragraph 1 of the section on Korea in the Moscow Communiqué.

(ii) To perform such other administrative duties as are assigned to it by the Joint Commission.

(iii) To participate with the Joint Commission and under its supervision in working out measures for the political, economic and social progress of the Korean people, the development of democratic self-government and the establishment of the national independence of Korea, as provided for in paragraph 3 of the section on Korea in the Moscow Communiqué.

e. If it is impossible for the Joint Commission to reach agreement on the creation of an advisory group of Korean leaders, as provided for in paragraph 4 d (1) or (2) above, the United States Commander in Korea should independently form such a group to act in an advisory capacity to the United States members of the Joint Commission in matters relating to the creation of a provisional Korean government.

f. In view of the possible delays between the completion by the Joint Commission of proposals for a provisional Korean government and the final decision by the United States and the U.S.S.R. on these proposals, the United States members of the Joint Commission should take the position that, subsequent to the submission of the proposals to the four powers and pending the final decision of the United States and the U.S.S.R., the Joint Commission has the power, under paragraph 4 a (3) above, to take whatever preliminary steps it deems desirable to



facilitate the transfer of administrative duties and functions to Koreans. Such a transfer should be in accordance with the proposals for the provisional government which will have been submitted to the four powers.

*g.* This government should be kept fully and promptly informed of the progress of the negotiations.

#### RECOMMENDATIONS

5. It is recommended that:

*a.* The State-War-Navy Coordinating Committee approve the paper and that on approval it be forwarded to the Joint Chiefs of Staff for transmission to General MacArthur subject to their comments from the military point of view.

*b.* The Joint Chiefs of Staff transmit the conclusions immediately by radio to General MacArthur for his information and guidance, calling attention to the fact that paragraph 3 of SWNCC 176/13 is superseded by paragraph 4 *a* of the above conclusions.

*c.* That the State Department take immediate steps to arrange for an early meeting of the Joint Commission provided for in paragraph 2 of the Korean Section of the Moscow Communiqué.

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740.00119 Control (Korea) /1-2846 : Telegram

*The Political Adviser in Korea (Benninghoff) to the Secretary of State*

TOP SECRET

SEOUL, January 28, 1946.

PRIORITY

[Received January 28—1:49 p. m.]

17. Mr. Goodfellow<sup>42</sup> has been working with Korean political groups for past month with considerable success. Already Kim Koo and Syngman Rhee have agreed to dissolution of their "Provisional Government" and to cooperate with efforts to form united group to act with General Hodge and the Joint Commission. Left wing and Communist leaders are being urged to take similar action and we have hopes that in short time a united advisory group can be announced. This will have functions identical to those of the "Consultative group" mentioned in the preliminary draft political directive brought by General Spalding.<sup>43</sup> It is hoped that this directive can be approved and transmitted to us at a very early date.<sup>44</sup>

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<sup>42</sup> Col. M. Preston Goodfellow, a friend of Syngman Rhee, proposed by General Hodge for work in Korea.

<sup>43</sup> Maj. Gen. Sidney P. Spalding, formerly of the U.S. Military Mission in the Soviet Union, who had returned to Washington in 1945.

<sup>44</sup> See footnote 40, p. 623.

740.00119 Control (Korea)/1-2946 : Telegram

*The Secretary of State to the Chargé in the Soviet Union (Kennan)*

SECRET

WASHINGTON, January 29, 1946—8 p. m.

U.S. URGENT

162. On suggestion Gen. Shtikov, head Soviet group Korea, that arrangements be made for two-power commission, Gen. Hodge recommended that commission of five official members for each country meet in Seoul as soon as Soviets are ready. Please express hope to Fonoff that arrangements between the two Commanders will lead to creation of the Commission as soon as possible.<sup>45</sup>

BYRNES

740.00119 Control (Korea)/3-1846

*General of the Army Douglas MacArthur to the Joint Chiefs of Staff*<sup>46</sup>

SECRET

[Tokyo,] 2 February 1946.

AG 091 (2 Feb 46) CC

Subject: Radio from the Commanding General, U.S. Army Forces in Korea, Tfgcg 272.

Following radio from CG USAFIK is repeated for your information:

"Reference is made to State Department radio Nr 90 DTG 271512 Z.<sup>47</sup> Reference message contains and implies information that should have been passed to this headquarters by the State Department several weeks ago for guidance in planning, policies, and handling emergencies. It is in itself complete evidence that the Department has paid little attention either to the information painstakingly sent in from those actually on the grounds as to the psychology of the Korean people or to the repeated urgent recommendations of the commander and State Department political advisers. The verification of the full truth of the Tass statement comes as real news to me, particularly in view of my urgent recommendations beginning in October and the recent State Department attitude and broadcasts which shy away

<sup>45</sup> In telegram 301, January 31, 1 p. m., from Moscow, Mr. Kennan reported his note to the Foreign Office expressing hope that joint commission in Korea could soon be created and stated: "In general, I do not consider it advisable, from standpoint of those of our officials who are obliged to negotiate with Russian officials outside of USSR, that proposals which they make to their Soviet counterparts should be supported by representations of this Embassy to FonAff Commissariat" because "it often has unfavorable effect of encouraging local Soviet officials to refrain from taking responsibility for decisions, in the confidence that questions will be taken to higher authorities anyway." (740.00119 Control-(Korea)/1-3146)

<sup>46</sup> Copy transmitted to the Department with letter of March 18 from the Secretaries of War and Navy. Robert P. Patterson and James V. Forrestal, not printed.

<sup>47</sup> See footnote 34, p. 621.

from the trusteeship idea and hold out hope that possibly it may not be necessary. Just after the quelling of the revolt and riots brought about by announcement of the trusteeship, our position here was the strongest since our arrival. As the significance of the Tass statement recently released here by General Shtikov sinks in, the Korean people are feeling that the United States has again sold 'them down the river,' this time to the Russians instead of the Japanese. Without a denial by the United States nothing we can say or do locally will clear the atmosphere of a newly growing distrust of the United States. The Tass statement was very cleverly worded to make clear to the Koreans that the Soviets tried to arrange for the Koreans at and prior to the Moscow Conference everything Koreans had wanted, including full independence at an early date, but had been thwarted in their benevolent wishes by the strong American pressure for a 10-year trusteeship. Up to now the Koreans have hated and feared the Soviets because of their actions within the northern zone and have looked to the United States for salvation believing that the United States would give some consideration to the wishes of freed Koreans. The Russians are improving materially in behavior north of the 38th degrees and through clever propaganda are beginning to rise in stature as the saviors of the '30,000,000 Korean people.' Communist activity, on the wane for almost a month up until January 15, is locally again increasing materially both in boldness and effectiveness, while thinking and educated Koreans are again becoming sure they will now have to fight for their freedom and independence. It might be added that so far there is nothing in the attitude of the Russians to indicate that they have any thought of unifying the Korean nation while we keep forces here. So far all discussion includes adjustment of flow of everything from mail to persons through control posts along the boundary. My best guess now is that north and south will never be really united until the Russians are sure that the whole will be soundly communistic. Based on current trends, I question our ability to stem the propaganda and controlled political maneuvering of the Soviets.

"I do not know who have been the experts on Korea who have advised and guided the State Department in their disregard of my recommendations. It may be the educated Koreans in the United States. It certainly has not been anyone who has seen and really knows Korea since the war. I hope that it can be impressed upon the Department that here we are not dealing with wealthy U.S. educated Koreans, but with early, [*sic*] poorly trained, and poorly educated Orientals strongly affected by 40 years of Jap control, who stubbornly and fanatically hold to what they like and dislike, who are definitely influenced by direct propaganda and with whom it is almost



impossible to reason. We are opposed by a strongly organized, ruthless political machinery designed to appeal to the millions of this type.

"I hope there is some way in which you can pass my ideas to the State Department and get over to them the thought that we must be kept informed and that it might be worth while to consider some of the information and recommendations we have conscientiously sent in from Korean hotspot based on fact and not theory."

For the Supreme Commander:

HAROLD FAIR

for H. W. Allen

Colonel, AGD,

Asst Adjutant General

893.00/2-146 : Telegram

*The Secretary of State to the Political Adviser in Korea  
(Benninghoff)*

WASHINGTON, February 7, 1946.

19. Moscow tel 310 Feb 1 follows:

"Soviet press Feb 1 carries Tass Chungking despatch on differences within Kim Koo 'govt'. Quotes Seoul correspondent of *Central News* that Kim Koo has admitted split in his organization and confirmed report Kim Choo Si and Kim Yak San have left so-called National Liberation Committee. Gives reason for split as Kim Koo's full alignment with rightist elements."

BYRNES.

740.00119 Control (Korea)/2-946 : Telegram

*The Political Adviser in Korea (Benninghoff) to the Secretary  
of State*

SECRET

SEOUL, undated.

[Received February 9—9:38 p. m.]

23. From CG USAFIK to SCAP cite Tfgcg 263. Info Bishop, PolAd, Tokyo. US Government, for numerous reasons, should decide soon what financial assistance to the newly organized Korean Government it is willing to give. Avoidance of such assistance, in lieu of our statements and commitments with respect to Korea in the past several years, might engender accusations of breach of faith resulting in repercussions not only domestically but in the Far East.

Action necessary to create available credits in Korea is not known, but presume that the Export-Import Bank is the agency concerned.

For purposes of increasing the Koreans' own production, the credits established would be used for purchase to US of capital goods such as heavy machinery, transportation equipment, and the like. It appears that a decision on this problem should be reached in Washington and when the propitious moment arrives announce same.

Within a short time, suggest that the Government reach a decision, even if only in principle, so that a simultaneous announcement can be made with the opening session of the United States-Soviet Joint Commission first week of March as now scheduled. Immeasurable value in our relations with Koreans and negotiations with Russians would accrue through a press release made in Washington and Seoul stating that US Government was prepared to consider a credit extension to the Korean Provisional Democratic Government, when said government is organized under provisions of the Moscow Agreement.

Statement of principle is more important and stipulation of specific amount, although 50 million is the amount I have in mind.

South Korea needs the support of above requested announcement to augment our efforts. The meager results of the conference just concluded will undoubtedly disappoint the Koreans, and the inherent anti-foreignism, increased by realization that trusteeship may be imminent, could readily crystallize into a situation difficult to combat. The Koreans will be at the mercy of the Soviets' highly organized steam-roller technique should they reach the conclusion that the US talks big but acts little and are [*is*] not prepared to live up to its promises.

The movement for Korean political unity fostered by US would assist a newly established government by an announcement that credits would be forthcoming.

Progress is being made in this movement and may in a few days be made public. A coalition group of all important parties now being formed in south Korea, other than Soviet (who have refused to co-operate) controlled Communist. Soviet schemes, promises, and blandishments are less likely to succeed if such a group could present to the country, and more particularly to the Russian sponsored group, that from our standpoint the chances of success are greatly increased, American popularity and prestige should improve.

With a view to making an early date announcement, possibly next month when the Joint Commission meets, prompts me to suggest in lieu of these considerations that Washington be asked to reach a decision, in principle at least, regarding financial assistance to Korea.

Mr. Harriman concurred in discussions on this matter. The general idea was approved by him and pledges support in Washington on an

informal and personal basis should SCAP send an official request.<sup>48</sup> Concurrence by Casaday<sup>49</sup> and Benninghoff. . . . [Hodge.]

[BENNINGHOFF]

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740.00119 Control (Korea)/2-1446 : Telegram

*General of the Army Douglas MacArthur to the Joint Chiefs of Staff*<sup>50</sup>

TOP SECRET

[Tokyo,] 12 February 1946.

CA 57792. I have just received the following message from General Hodge:

"Although SWNCC 176/18<sup>51</sup> states that the most pressing task of the forthcoming meeting of the Joint Commission should be the creation of an interim Korean Government, I feel that before that problem can be faced it will be necessary to open up the country and break down the Soviet 'blackout'. The arrangement in this regard reached by the recent conference was most unsatisfactory from the United States standpoint. Soviet delegation refused to consider free circulation of newspapers, combined radio network for benefit all parties on equal basis, and travel Koreans between zones except under strict permit system. I accordingly propose to instruct American delegation to begin proceedings of Joint Commission with a strong demand for complete freedom of speech, press and movement within Korea of Koreans, on grounds that until that is accomplished Joint Commission will be unable freely to consult Korean parties and leaders and to learn desires Korean people regarding their government, a prerequisite stipulated in Moscow communiqué.

I am prepared to press this point with considerable vigor and to postpone joint consideration by the Commission of structure of interim government until solution satisfactory to U.S. is reached. If this viewpoint is approved, I suggest asking State Department to inform USSR that despite considerable progress achieved by recent economic conference, United States Government feels that Koreans are still so restricted in freedom of speech and movement that Joint Commission will have difficulty in asking proper evaluation of the desires and aspirations of all classes Korean people.

The Soviet Government might not respond to such approach but at least it would put the United States Government in addition to the U.S. Army Forces in Korea on record, and would prepare Soviet delegation in Joint Commission of our viewpoint.

If my position outlined above has backing of United States Government and if Soviet delegation in Joint Commission displays re-

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<sup>48</sup> A telegram from Tokyo received February 26 concurred in the need for large-scale financial assistance for rehabilitation purposes and in the desirability of an early announcement that such was contemplated and suggested early action to supply Korea's urgent needs. (740.00119 Control (Korea)/2-2646)

<sup>49</sup> Lauren W. Casaday, a representative of the Treasury.

<sup>50</sup> Copy transmitted to the Department with SWN-3875, February 14, as SWNCC 176/20, from the State-War-Navy Coordinating Committee.

<sup>51</sup> January 28, p. 623.



luctance to come to agreement; I could discreetly make known to Korean people through their consultative group in South Korea that United States has from beginning tried to break down barrier of 38 parallel but that USSR has failed to follow out [our] lead. Such disclosure should strengthen our hand and might cause USSR delegation to accede to our desires. I am convinced that the more we open up the country and convince the people of our real aims, the greater will be the chances of achieving truly democratic rather than a Soviet directed communistic Korean Government. Benninghoff concurs."

I am in agreement with Hodge's suggestion and request the Government view for guidance.

[MACARTHUR]

740.00119 Control (Korea)/2-1546

*The Political Adviser in Korea (Benninghoff) to the Secretary of State*

SECRET

No. 19

SEOUL, February 15, 1946.

[Received February 25.]

SIR: I have the honor to refer to the numerous telegrams which were sent by this Command<sup>52</sup> regarding the recent U.S.-Soviet Joint Conference, copies of which were presumably furnished the Department, and to transmit copies of certain documents which were prepared in the course of the conference. This conference, it will be recalled, was convened in accordance with the fourth paragraph of Section III (Korea) of the Moscow Communiqué of December 27, 1945.

Copies of the following documents are enclosed:<sup>53</sup>

1. Original United States statement and agenda
2. Original Soviet agenda
3. Agenda as finally adopted
4. Statement made by Colonel General Shtikov, Chief Soviet Delegate, on 1 February 1946
5. Letter of transmittal from the two chief delegates to their commanding generals, with fifteen attachments containing the decisions reached on each of the fifteen items of the agenda (see No. 3 above)

The conference first met on 16 January 1946 and held fifteen formal sessions, the last one being on 5 February 1946.

The United States Command was represented by the following: Major General Arnold, Major General Lerch, Major General Spalding, Mr. H. M. Benninghoff, Colonel R. H. Booth, Colonel F. H. Britton, Colonel J. C. Underwood, Lt. Colonel W. J. Herlihy, Lt. Colonel A. J. Cornelson, Lt. Colonel G. B. Enders and technical assistants.

<sup>52</sup> Lt. Gen. John R. Hodge.

<sup>53</sup> Enclosures not printed.

The Soviet Command was represented by the following: Col. General T. F. Shtikov, Minister Extraordinary S. K. Tsarapkin, Major General G. I. Shanin, Major General A. A. Romanyenko, Advisor Balasanov, Engr-Colonel Butusov, Advisor Manukian, Advisor Lavrov, Advisor Lt. Colonel Karkulyenko, and Secretary Maslov.

The chairmanship was alternated between the chiefs of the respective delegations. It was agreed that all minutes and other documents would be prepared in the English and Russian languages and that the minutes of each meeting would be approved and signed by the chiefs of the two delegations. It was also agreed that the decisions reached by the Conference would be submitted to the two commanding Generals for final approval before being put into effect. After the agenda was finally agreed on (see enclosure No. 3), the conference was divided into three sub-committees for the detailed consideration of various items. These sub-committees were the Economic, the Administrative and the Transportation sub-committees. A few items of a general nature were discussed only in the full meetings of the two delegations.

Early in the discussions in regard to the agenda, it became apparent that the U.S. and Soviet delegations approached the solution of economic and administrative problems from widely divergent angles. The United States delegation based all its discussions and arguments on the desirability of removing the barrier of the 38° parallel and considering the country as an economic and administrative unit. The Russians, on the other hand, came to the conference with the idea of discussing economic and administrative matters from a very narrow viewpoint. We wished to do everything possible to open up the country and to unite such important facilities as transportation and public utilities into single administrations, whereas the Soviets, from the outset, viewed the problem as one of exchange and coordination between two adjoining but separate zones of military responsibility. We talked in terms of opening up the country for the benefit of the nation as a whole, while the Russians talked in terms of negotiations between the two commands.

This divergence of viewpoint colored the whole proceedings, and was directly responsible for the failure of the conference to achieve any substantial results. For instance, the United States delegation proposed to place the railroads of Korea under a unified joint administration which would operate the railroads as a unit. The Soviet delegation, on the other hand, insisted on retaining the dual system of administration which has been in effect since August 1945. In other words, it did not consider giving up any of the command prerogatives to a joint commission. After a great deal of discussion, a Technical

Joint Transportation Commission was agreed upon, but this commission was given no authority to operate the railroads; its sole function is to make recommendations to the two commands.

Another development of the conference, growing out of the Soviet's narrow viewpoint described above, was that the Russian delegation insisted that all exchange of commodities should be between the two commands, and should also be on a quasi-barter basis, with exchanges to be kept approximately equal and with no advancing of credit. This attitude made the work of the Economic sub-committee extremely difficult as the Russians were in position to furnish the American Command immediately with a large supply of raw materials, whereas the United States delegation was not in a position to supply any commodities until they had been manufactured out of coal and other materials shipped from the north. The Economic sub-committee, therefore, reached a virtual deadlock.

It will be noted that the problem of the removal of capital goods from Korea was omitted from the agenda. The American delegation raised this point in one of the early meetings, but the Soviets stated that the problem was outside the scope of the conference, and that in any event there was no need to discuss it as the removal of capital goods was already prohibited in both zones. The Russians inquired whether the Americans were making any direct accusations, but as our evidence was all hearsay and could not be substantiated, General Arnold was forced to agree to the omission of this item from the agenda.

The most important problem considered by the conference, and that on which the conference virtually collapsed, was the Soviet demand for rice from the south in exchange for raw materials and other commodities from the north. It soon became evident that General Shtikov was sent to the conference with instructions to get as much rice as possible and to refuse to agree to any exchange of other commodities unless rice was forthcoming. It was explained to him and to other members of his delegation that south Korea was not in position to furnish rice, but the Russians did not see fit to accept the force of our arguments. After considerable fruitless discussion on this point, General Shtikov submitted a statement of 4 February 1946 (see enclosure No. 4), setting forth the Soviet position. In that statement, which virtually amounted to an ultimatum, General Shtikov said that the Soviet representatives would not be able to continue the discussion of the exchange of commodities, including electric power, until the American command was able to guarantee the delivery to the Soviet command of a substantial quantity of rice. In his rebuttal (copy not included in enclosures because of its length),



General Arnold proved that on a per capita basis, northern Korea should be practically as self-sufficient as southern Korea in regard to food stuffs. He also attempted to gain Soviet agreement on an exchange of commodities, such as locomotive spare parts, amounting to about Yen 25 million in 1946. The Soviet delegation refused to consider this proposal and the conference broke up.

In summary, the conference was able to achieve agreement only on the following points:

1. Rail, motor and water-borne transportation on a limited basis.
2. Establishment of joint control posts.
3. Limited movement of Korean citizens from one zone to the other.
4. Limited exchange of first-class mail.
5. Allocation of radio frequencies.
6. Measures for future coordination between the two commands.

No decision could be reached on the following items, chiefly because of fundamental differences in viewpoint:

1. Supply of electric power.
2. Exchange of commodities.
3. Mutual payment for goods.

The remaining items on the agenda were either removed therefrom by mutual agreement or were relegated "for future study." The United States proposal for an adjustment of the boundary between the two commands was transmitted by the Soviet delegation to the Soviet High Command for its approval, but no reply has been received to date. The question of the repatriation of Japanese civilians from north Korea was deleted from the agenda because it was considered to be outside the scope of the conference. Discussions on this question, however, will continue and it is hoped that eventually the Japanese will be returned to their homes.

Although any discussion of political matters was carefully avoided during the meetings of the conference, it was apparent from the tone and attitude of the Soviet delegation, and from several indiscreet remarks made by various of its members, that the U.S.S.R. contemplates a lengthy occupation of at least the northern half of Korea. It was also apparent that the U.S.S.R. will probably resist all efforts by the United States to open up the country and to treat it as an economic and political unit until such time as the U.S.S.R. is satisfied that it has gained political ascendancy in the country, or is forced to change its attitude because of political necessity.

Respectfully yours,

H. MERRELL BENNINGHOFF

740.00119 Control (Korea)/2-2046

*The Political Adviser in Korea (Benninghoff) to the Secretary  
of State*

SECRET

SEOUL, February 20, 1946.

No. 21

[Received March 6.]

SIR: I have the honor to enclose a copy of the agreement signed by the chiefs of the United States and Soviet delegations at the recent U.S.-Soviet Joint Conference in regard to the establishment of the Joint Commission provided for in paragraph 2, Section III (Korea) of the Moscow Communiqué.

It will be noted that the Joint Commission is supposed to start its work not later than one month after the work of the recent Conference was completed.

In this connection, reference is made to my dispatch No. 19 dated February 15, 1946, enclosing copies of the agreements reached at the U.S.-Soviet Joint Conference.

Yours very truly,

H. MERRELL BENNINGHOFF

[Enclosure]

*Agreement on Establishment of a Joint Commission, Signed at Seoul*

DECISION CONCERNING THE ESTABLISHMENT OF A JOINT COMMISSION  
OF REPRESENTATIVES OF THE AMERICAN COMMAND IN SOUTHERN  
KOREA AND THE SOVIET COMMAND IN NORTHERN KOREA

1. The Soviet and American Military Commands, in accordance with Paragraph 2, Section III, of the Decision concerning Korea of the Moscow Conference of Foreign Ministers of the Soviet Union, the U.S.A. and the United Kingdom, have agreed:

A. To establish a 10-man Commission—5 members from the Soviet Command and 5 members from the American Command. The number of members of the Commission may be changed by mutual agreement of the Commands.

B. To bring in the necessary number of advisors, experts and technical workers for the work of the Commission.

C. Seoul, the capital city, is chosen as the permanent seat of the Joint Commission. When necessary, the Commission will visit Pyongyang. The Commission will consult with democratic political parties and social organizations of both south and north Korea. When necessary, the Commission will visit any other place in Korea.

D. The Joint Commission will start its work not later than one month after the work of the present Conference of representatives of the Soviet and American Military Commands is completed.

E. The Soviet and American Military Commands will submit to each other lists naming their members of this Commission.

F. The order of the work of this Commission will be established at its first meeting.

A. V. ARNOLD  
Major General, U.S.A.  
Chief of U. S. Delegation

T. F. SHTIKOV  
Colonel General  
Chief of Soviet Delegation

740.00119 Control (Korea)/2-2346 : Telegram

*The Chief of Staff, United States Army (Eisenhower), to General of the Army Douglas MacArthur, at Tokyo*

SECRET

[WASHINGTON,] 23 February 1946.

War 98337. Reference Cax 57461 and Tflig 669, CinCAFPAC please pass to CG USAFIK.

Sale of Jap property to Koreans is subject. The following proposed directive to you is up for urgent consideration by State, War and Navy. All agreed except on matter of legality of "Sale" of property as against "Transfer". State Department Legal Adviser<sup>54</sup> is objecting to use of word "Sale". Here is proposed directive to you quoted in full:

"1. Your Cax 57461 approved except insofar as in conflict with policy outlined below. Japanese still in Korea will not be permitted to sell property but such property may be sold or leased by the Military Government in accordance with approved policy below.

2. Reference Tflig 669 from Commanding General USAFIK. You may authorize military Government in US Area of Korea to sell and give title on Japanese-owned property of the following classes:

- a. Farmland
- b. Urban residences
- c. Small business holdings.

You should, in your public statement announcing availability of property for sale, state that all sales are outright so far as Military Government is concerned but of course will be subject to subsequent confirmation by the Korean Provisional Government (to be established pursuant to the Moscow Communiqué) in participation with the Joint Commission. View here is that action by Provisional Government will be general confirmation with such exceptions by category as may be found necessary.

3. Authorization to make sales does not at present extend to industrial property or large wholesale businesses.

4. For your information only, it is now contemplated that United States members of the Joint Commission will not be authorized to give final approval of such sales:

<sup>54</sup> Green H. Hackworth.



(a) Until agreement has been obtained from other members of the Reparations Commission to support the United States view with respect to the disposition of such property (steps have already been initiated) and

(b) Until you have required the Japanese Government to divest its Nationals of property in Korea, if the Far Eastern Commission determines such a procedure to be necessary.

5. Plans suggested in Paragraphs 2 and 7 of Tflig 669 are agreed to for small business holdings as well as farms and urban dwellings subject to qualifications above. All sales should be screened to prevent cloaking transactions and transfers to undesirable persons. General policy announcements suggested in Paragraph 4(a) and 9(a) may be drafted and announced in Korea at an appropriate time.

6. This message is not to be construed as an over-all policy statement referred to in War 96606 which is still under consideration.<sup>55</sup> This message is sent to give at once necessary authorization to make certain land reforms with respect to Japanese-owned property.

You will note from Paragraph 4 above that there are certain legal questions to be finally surmounted with respect to passing clear title to these properties. In placing your program into effect, you should give consideration to the possible attacks on it from the Soviets should your plan conflict with that which they may have already instituted in their area. Desirability of prior consultation with or notification to the Russians will be at your discretion."

State Department Legal Adviser's objections and proposed amendments are as follows:

"The proposed directive to General Hodge should not be issued unless:

1. The word 'Transfer' be substituted throughout the proposed directive for the word 'Sale'.

2. US Military Government, Korea, purport to act vis-à-vis the Korean people, and the specific recipients of the land in particular, on the basis of administering some kind of possessory interest rather than ownership.

If these changes were made, General Hodge might be advised to take local Korean legal advice, and to proceed with his program of transfer by issuing 'Certificates of transfer' or by means of rental agreements but always without assertion of US title to the property or its out-right sale."

Request comments earliest. Are proposed amendments satisfactory? <sup>56</sup>

[WARCOS]

<sup>55</sup> On March 6 the Department in instruction 9 to Seoul transmitted a copy of SWNCC 265 on "Disposal of Japanese Property in Korea", not printed.

<sup>56</sup> Notation by the Deputy Director of the Office of Far Eastern Affairs (Penfield): "Reply (CX 58255, 26 Feb) stated 'no objection to State Dept amendments substituting word "transfer" for "sale".' JKP".

740.00119 Control (Korea)/2-2446: Telegram

*General of the Army Douglas MacArthur to the Secretary of State*

TOP SECRET

Tokyo, undated.

PRIORITY

[Received February 24—11:26 a. m.]

[From General Hodge.] Subject is recent political developments of Korea. Beginning early January and until Tass announcement of details of Moscow Conference near end of January, Communism in south Korea was on the wane. Tass announcement and presence of Russian delegation here stiffened Communists somewhat but appeared partially to separate Communists from the People's Party leftists. The National Emergency Congress, starting in early February, drew representatives from all but regularly announced Communists, who, as always, refused to confer with anyone not under their control. Resulting from the Emergency Congress was selected Council representing all major groups (including People's Party) the [except?] Korean Communist Party. At the first meeting February 14 of this selected Council of south Korea, Lyuh Woon Hyung, the leader of the People's Party, who had prepared a talk as a principal speaker, was absent but other representatives attended. Later People's Party announced their withdrawal from council. One member of People's Party struck at the council, announcing that he was not a Communist. The following day first official meeting of council, Communists started their "Democratic People's Front" convention with Communist Party, People's Party and various other Communist controlled elements such as farmers associations, Labor Unions, People's Republic committees, etc, denouncing the representative council as Fascist Jap collaborators, undemocratic and traitorous to the "masses of the peoples".

On 12 February Russians announced complete all Korean Central Government of north Korea. List of names of that Government and State Council has been screened here by well informed moderates now refugees from north Korea. They announced that all names are either violent Communists or unknown Koreans brought in from Russia or Manchuria. Announced list of parties represented are Democratic, Yen'an Independence League and Communist. Names listed as of Democratic Party are known to be Communist stooges named by Russians to replace the Democratic leaders in north. Yen'an Independence League is the Chinese-Korean-Manchurian Communist group trained and operating under Russian control. Korean Communist Party is under complete Russian control. Picture is completed by announcement yesterday in local newspaper press that now the "People's" Government has been set up in north Korea and the "Democratic Front" is perfected in south Korea, the problem of an



interim Korean Government is a simple get-together of the two. This statement, together with all the other trends and activities, is accepted as conclusive evidence that the Communistic controlled and led "People's Party" here has completely sold out to the Russian directed Communists by definite offers of positions in the coming Government. Late information has just come in from reliable informant who attended a Communist meeting in one of the south provinces February 6 where Lyuh Woon Hyung, leader of People's Party, was principal speaker. Lyuh openly announced his state as a true Communist and gave a long treatise on the methods of operations and means of discrediting the American Military and military government. Although this has long been believed to be true, it is the first real fix on Lyuh as a full fledged Communist. Since the beginning there has never been anything to indicate real hope of getting Communists in the south to join with any group on any subject unless the whole be completely under Communist control. New governmental policies from Yenan, prominently announced, include straight out confiscation of land holdings and extensive properties of both Japs and Koreans for free distribution to the masses (already accomplished according to many reports), this being closest to the hearts of the large numbers of indigent Korean peasants, recent repatriates and unemployed. In this connection my inability to announce any firm policy on disposition of Japanese property is growing daily as a greater handicap and source of charges by highly vocal Communists. Current Communistic activities in Manchuria tie in well with idea of an all out effort now to gain full control of this entire area of the Orient through political penetration.

Complete picture appears as follows:

Russians have set up their groups for north Korea, camouflaging Communists under names of three parties. "People's Party" in south Korea headed by Lyuh as a definite Communist and Communist [apparent garble] has now sold out completely to Korean Communist Party openly and in toto. Communists here have gathered in many other named group[s?] to class as "democratic" societies and groups who will insist on being considered, while rightist and center have undergone great consolidation of groups behind outstanding leaders. Blackout over north Korea is recently greatly intensified. Travelers from south without Communist visas being arrested as American spies. Russians no doubt plan to force us to accept their Government as the Democratic representatives of north Korea while trying to force us to give enough Communistic representation from south Korea to gain control of Korean interim Government by Communists.

For the present I plan to keep up prestige of the Korean Representative Democratic Council, make every effort to gain the full backing of



the Korean people, and discredit the Communists. This will probably get liberal and pink press of US on my neck, but feel any other local action now would be fatal.

As one step forward I urgently recommend pressure to get positive statement of US policy in final disposition of Jap property in south Korea and authority to carry it out.

Signed Hodge.

[MACARTHUR]

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740.00119 Control (Korea)/2-2346

*Memorandum of Conversation, by Mr. Albert H. Garretson, Assistant to the Legal Adviser (Hackworth)*

[WASHINGTON,] February 26, 1946.

Participants: Mr. Hackworth

Mr. Summers, War Department

Mr. Garretson, Le

Mr. Summers explained that the Assistant Secretary of War had requested that he see Mr. Hackworth, since Mr. Peterson was most anxious to clear SWNCC 265 concerning the disposal of Japanese property in Korea for transmission to General Hodge. Mr. Hackworth pointed out that Le had considerable misgivings as to the proposed sale of former Japanese farmlands, urban residences, and small business holdings to Koreans by the United States Military Government in Korea. Clearly this action could not be taken by virtue of United States authority in Korea as a military occupant, and Mr. Hackworth therefore felt that it was up to the War Department to formulate a case for this action under the power of the Supreme Commander to effectuate the Japanese surrender. Mr. Summers agreed that this was difficult to do, but stated that the War Department would prepare the usual explanatory statement of record to justify the proposed action. He indicated that such a statement would presumably take the line that the Supreme Commander would be acting on the basis of economic necessity in addition to the responsibility which had been assumed to free the Korean people from the continued dominance of the Japanese. The program of repatriating the Korean Japanese to the main Japanese islands has created an acute agricultural and small business problem in Korea. The military government was under the necessity of maximizing food production in Korea in order to prevent serious food shortages from threatening public security. Moreover, uncertainty as to the utilization of the land and holdings in

question would have a very unsettling effect on public opinion. Consequently, it was necessary to take definitive action in order successfully to effectuate the surrender in Korea.

Mr. Hackworth also suggested and Mr. Summers agreed that the directive to the Supreme Commander for General Hodge should contain a clear provision that the funds resulting from any program of transfer or sale should be held in safekeeping by the United States Military Government for subsequent disposition by the appropriate authorities.

Finally, Mr. Hackworth approved an addition to the final paragraph of the proposed directive which recommended to General Hodge that in proceeding with the program of property transfers, he should, on the basis of Korean legal advice, avoid the use of the word "sale".

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740.00119 Control (Korea)/2-2846: Telegram

*Lieutenant General John R. Hodge to the Secretary of State*

SECRET

SEOUL, undated.

PRIORITY

[Received February 28—6:41 a. m.]

From CG USAFIK to SCAP No. Tfgcg 307 signed Hodge to War for action. Three weeks have elapsed since agreements were signed with Soviets but no word of approval or disapproval has been received from General Chistiakov. In meantime reports from north indicate that Soviets are making preparations to implement agreement concerning mails. I am today sending letter to Chistiakov referring to such reports and inquiring as to his intentions regarding all agreements, the Joint Commission should meet by middle of next week. The Russians propose to open meeting before giving any indication of intention regarding agreements reached by previous conference, I shall, without refusing to have the Joint Commission convene, assume the attitude that we should at least know the Soviet intention regarding the former conference before it is possible to discuss matters of substance.

I feel that this is important in view of the extreme desirability of doing as much to open up the country as possible and removing the "blackout" north of 38. When opportunity offers, I shall let it be known through press conference or otherwise that I have approved the agreements but the Russians have not in turn notified me of their approval. Benninghoff concurs.

[HODGE]

Records of the State-War-Navy Coordinating Committee,  
Lot 52-M45, SWNCC 176 Series: Telegram

*The Joint Chiefs of Staff to General of the Army Douglas MacArthur,  
at Tokyo* <sup>57</sup>

TOP SECRET

[WASHINGTON,] 28 February 1946.

War 98881. The following reply to your CA 57792,<sup>58</sup> received from the State, War and Navy Departments is furnished for your information and guidance.

"Decision of General Hodge to instruct the American Delegation to press for agreement on freedom of speech, press and travel within Korea of Koreans at the beginning of the forthcoming proceedings of the Joint Commission approved here. Should Soviets not agree initially to such action, rather than forcing an adjournment of the commission, Hodge should

(1) Reserve his position in respect to freedom of speech, press and travel for final decision prior to the time the interim government begins to function,

(2) Press for initial agreement on travel by members of commission and their staff throughout Korea to consult with Korean democratic parties and social organizations, and

(3) Then proceed with consideration of the structure of an interim government.

Ambassador Harriman has recommended here, and the State Department concurs, that nothing would be gained by taking up such matters as the question of freedom of speech, press and travel on a governmental level prior to the discussion of these topics in the commission.

It is suggested that in order not to prejudice the effectiveness of the work of the Joint Commission, and at the same time to accomplish Hodge's purpose should the Soviet representatives in the commission prove obstructionist and refuse to agree to his demands under (1) or (2) above, you may wish to consider the desirability of requesting your government to make public a statement citing your attempts to encourage freedom of speech, press and travel. In such a public statement, reference would be made to Paragraph 2, Article I of the Charter of the United Nations which reads: "To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace'."

[JOINT CHIEFS OF STAFF]

<sup>57</sup> Copy transmitted by the Joint Chiefs of Staff on March 1 to the State-War-Navy Coordinating Committee.

<sup>58</sup> February 12, p. 632.



740.00119 Control (Korea)/2-2846

*Proposed Message to General of the Army Douglas MacArthur  
Drafted in the Department of State*<sup>59</sup>

## SECRET

It is obvious from the information contained in your Tfgcg 301, Feb. 22, 1946<sup>60</sup> that the Soviet authorities in Korea are applying the same tactics they have applied in Eastern Europe in order to gain control of the various governments through minority groups controlled by the Soviet Government. In view of the tactics being used, it is felt that it would be advisable for you to make clear in a strong public statement the measures we are putting into effect looking toward a free and independent Korea.

It is suggested that such a statement should include the following points:

(1) A statement outlining the freedoms which are in force in our zone, with an expression of hope that these may be applied shortly throughout Korea.

(2) A full statement along the lines of your Tfgcg 294, Feb. 19, together with a statement that you are ready to implement all agreements reached in the conference. It might be advisable to publish the full American agenda and point out that we are importing coal from Japan in order to assist the Korean people in the south because of the fact that the Soviet authorities refuse to release Korean coal.

(3) A statement on U.S. policy regarding Japanese industrial installations to the effect that these will be left in Korea and are being operated at present with the meager supplies of raw materials available in the south in order to assist the Korean people to regain their economic industrial independence.

(4) A statement outlining the plans for the disposition to Korean individuals of Japanese-owned farmland and urban property, outlined in your Tflig 669, Jan. 8, and as approved in War 98713.

By separate telegram text of a proposed press release on U.S. Govt. attitude re financial assistance to Korea is being sent you. You should consider using this statement either by reference or incorporation in any general statement you may make.

While it is realized that at the present time it may be difficult, it is felt that every effort should be made to find leaders in our zone who are neither associated with the Kim Koo group nor the Soviet dominated groups, who will put forth a firm progressive program for Korea. Such a group should be encouraged to elaborate in detail a progressive program which will stress the four freedoms and basic land and fiscal reforms which would appeal to the vast majority of Koreans, with the

<sup>59</sup> Copy transmitted by the Department to the War Department on February 28 as a suggested message to be sent to SCAP.

<sup>60</sup> Numbered 31 from the Political Adviser in Korea, not printed.

object of winning over to such a progressive program people who now believe that the communist program offers the best hope for them. We should be prepared to give our full backing to such a group as a counterpart to the Soviet-backed communist groups. Because of their background as exiles, the fact that they are apparently being supported by the Kuomintang, and the State Department's unsatisfactory experience with Rhee in dealings with him over a period of years, we should not show any favoritism to the Kim Koo and Syngman Rhee groups. If it should prove impossible to find such a group of progressive leaders, it might be necessary to make a strong effort to force the Kim Koo group to adopt and put into effect a progressive program along the lines outlined above. If the Kim Koo group will not adopt such a program, it should be made clear to them that they can receive no further U.S. backing.

In all discussions, both public and private, we should stress as our basic aim the unification of the country, both economically and politically, based upon the four freedoms for the Koreans, with the right for American representatives to consult with any and all leaders in the country as a whole and for these leaders to have the right freely to consult among themselves.

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740.00119 Control (Korea)/3-146: Telegram

*The Secretary of State to the Political Adviser in Korea  
(Benninghoff)*

SECRET

WASHINGTON, March 5, 1946—9 p. m.

US URGENT

32. Urtel 33 undated recd Mar. 1.<sup>61</sup> No commitment made to Russians by US Govt on disposition Jap property in Korea. US views on handling of Jap property in liberated areas presented in note by Am Emb Moscow to Foreign Commissariat following Deptel Aug 28, 1945.<sup>62</sup> Dept also cabled on Feb 28 to Am Emb Moscow<sup>63</sup> US views on reparations policy with inst to explore informally with Soviet Govt. Relevant portions of reference tels contents of which have not been made public are quoted below for your info. No replies received from Soviets.

[Here follow quotations from two telegrams cited.]

Sent to Seoul and repeated to Moscow [as] 394.

BYRNES

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<sup>61</sup> Not printed; it requested information on "possible American commitments made to Russians at Yalta, Potsdam or Moscow" that "Russians might bring up to defend their actions should the question of removal of capital goods from Korea arise." (740.00119 Control (Korea)/3-146)

<sup>62</sup> Telegram 1923 to Moscow, *Foreign Relations*, 1945, vol. VI, p. 990.

<sup>63</sup> Telegram 349 to Moscow; see telegram 1868 to London, p. 480.

740.00119 Control (Korea)/3-846

*Mr. Max W. Bishop, of the Office of the Political Adviser in Japan,  
to the Secretary of State*

SECRET  
No. 292

TOKYO, March 8, 1946.  
[Received March 16.]

SIR: I have the honor to report that, according to information gathered by American military authorities, Russian forces in Northern Korea are now in position to move rapidly, and to reinforce at any point quickly in Northern Korea if future action should be planned.

In this connection there is enclosed a summary of information<sup>64</sup> obtained regarding Russian activities in Northern Korea. Apparently the Russians went to great lengths to cloak their recent movements in a veil of secrecy. Centers of activity mentioned in the summary of the report are located on the North-South railroads and on or near good highways leading into Southern Korea. Although it is only reasonable and good military tactics for the Russian commanders to provide against any American capability, it is impossible to imagine what indications have been discovered by Soviet intelligence in Korea to justify estimates of a situation requiring such extensive preparations as have been made for offensive operations.

Attention is invited to the reports that there has been an accelerated drive to evacuate capital goods, reported as nearly completed on February 10; that Russian attitude toward the Japanese has changed markedly, resulting in greatly improved living conditions; that Communist schools are teaching "revolutionary doctrine, anti-Americanism, the greatness of the USSR, the necessity for the destruction of the U.S., and that the USSR is the only country capable of defeating the U.S."; and that reportedly a Russian officer stated the conquest of Southern Korea can be completed in five days.

Respectfully yours,

MAX W. BISHOP  
*Foreign Service Officer*

611.9531/3-1146

*Draft Message From the Joint Chiefs of Staff to General of the Army  
Douglas MacArthur*<sup>65</sup>

CONFIDENTIAL

Reference CA 56512, 30 December.<sup>66</sup> Subject is travel of Korean business men.

<sup>64</sup> Not printed.

<sup>65</sup> Copy transmitted by the Acting State Department member of SWNCC (H. Freeman Matthews) to the State-War-Navy Coordinating Committee on March 11 as a proposed message to be sent to SCAP. The Joint Chiefs of Staff sent the message as telegram War 83080, April 4.

<sup>66</sup> Not printed.



1. Travel is authorized as recommended in reference cable of limited number Korean businessmen to travel at own expense to U.S. for purpose establishing business contacts provided that:

a. It is understood this authorization does not involve commitment to Korean business men to open up trade between U.S. and Korea or permit U.S. investment Korean industry at any particular date.

b. The Koreans selected are such as would be authorized to operate under the contemplated licensing system to be established when trade between Korea and U.S. is opened, in that these individuals are not engaged in any activities contrary to purpose of occupation.

c. There are available to Korean businessmen sufficient dollars to pay for their transportation and maintenance while in U.S.

2. Visas can be obtained any U.S. Consulate if Korean group stops on the way at a point where consulate exists. If not, request for waiver visas should be addressed State Department giving names of Koreans and proposed port entry.

3. Mode of travel should be as determined by you.

4. Above cable suggested by State Department.

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740.00119 Control (Korea)/3-1946: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, March 19, 1946.

[Received March 21—12:39 p. m.]

37. "Summary of conditions in Korea February 15th through March 14th:

"1. Internal situation.

"Major political activity during period was characterized by intensified maneuvering for position and effort at consolidation among Communist and anti-Communist lines in anticipation of establishment of Joint Commission and creation of Interim Korean Government. Little success has resulted from efforts to bridge gap between two groups and to form united political front for South Korea; in fact cleavage between these factions appears to be becoming sharper. Some followers of the Chungking Provisional Government have endeavored to capitalize on formation of Korean Representative Democratic Council of South Korea as an advisory body to CG USAFIK by making it appear that this body is merely a projection of Emergency National Assembly of original Kim Koo Provisional Government. This Council now has quarters in Chang Kuk Palace, and enjoys official recognition and support. Syngman Rhee is Chairman of Council, Kim Kiusik,<sup>67</sup> Vice Chairman, and Kim Koo, Secretary

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<sup>67</sup> Usually spelled Kimm (or Kim) Kiusic.

General. Communist controlled Korean People's Republic, People's Party, Independence Alliance, and Communist Party are pinning their hopes on Democratic People's Front and continue to refuse participation in Council despite continuing invitation to join up. A closer alignment between Left Wing Parties in South Korea and newly-formed Communistic Central People's Government in north appears to be taking place, carrying with it implication of support from these parties for future Soviet position in setting up Interim Government under Joint Commission.

"Local Communists and Communist-controlled Korean People's Republic have increased their propaganda against American Military Government. Democratic People's Front appears to be gaining in unity and strength under joint leadership of four chairmen, leaders of four principal Leftist Parties in South Korea, following series of meetings during February in which a 17-point platform was adopted. There is some evidence that Kim Koo's followers have gained an increasing influence in the provinces at expense of People's Committee of Korean People's Republic, to some degree attributable to the latter's unpopular stand in supporting trusteeship. Very few civil disturbances and a general reduction of lawlessness among the Koreans marked period. This may have been due to realization on part of political leaders that violence should be avoided as a matter on [of] policy and to increasing prestige and effectiveness of Korean police.

"Celebration of Korean Independence Day on March 1st was carried Right Wing Grp numbering 200,000 persons participated in various ceremonies, without untoward incident. Communist-controlled Left Wing factions held their own celebration, at which an estimated 15,000 people were present. Soviet flags were in evidence and a scheduled parade was cancelled, owing probably to poor attendance. Neither Communist leader Pak <sup>63</sup> nor Lyuh of People's Republic were present.

"Ordinance NR 55 was issued by Military Government on February 23rd, and, in addition to other provisions, requires registration of all political parties, a list of their members, and copies of their accounts. Communists were most vociferous in condemning the ordinance, but opposition also came from other quarters, feeling being voiced in press that ordinance was an unwarranted restriction on political activity. First to register were the Communists.

"Fears appeared to be gaining ground that division of Korea along 38 degrees parallel may become permanent, and that country may develop into another 'Poland'. Considerable cynicism is being expressed in press that efforts of forthcoming Joint Commission to achieve concrete results towards real economic and political unity of

<sup>63</sup> Pak Hon-yong, or Pak Heun-yung.

north and south are foredoomed to failure. This sentiment appears to be based largely upon alleged lack of success of initial Soviet-American conference and upon general atmosphere of our present relations with Russia.

"As of March 14th, 3,460 Japanese remained in South Korea and a total of approximately 1,575,000 Koreans had been repatriated from abroad, including 11,533 from China.

"2. Economic conditions.

"Land program. On March 7th Military Government announced decision to sell former Japanese-owned farms, urban residences, and small business properties to Koreans. Ordinance soon to be issued authorized sale of 875,000 acres of former Japanese-owned agricultural land to tenant and part-tenant farmers, who themselves must operate the land they purchase. Payments will be made in kind on a long term contract. At present farm households south of 38 degrees total about 2,000,000, including: 14 percent farm owner-operators; 33 percent part owners-part tenants; 51 percent tenant farmers; 2 percent all others. Sale Japanese land will enable about 300,000 tenant farmers to become owner-operators.

"Korean groups planning land reform programs applicable to large Korean-owned agricultural holdings. Seoul newspapers report that according to *Ahovun Shingmun* (Korean Press) published in Pyongyang, the Interim People's Committee of North Korea drafted land ordinance on March 5th which provides for land seizure and distribution 'without cost' to farmers in northern Korea of land formerly owned by the Japanese, by 'national traitors' and by those who fled south of 38 parallel. In addition, all farm tenants are to be given the land they cultivate 'without cost'. Churches and religious groups will have all their land holdings above 12.5 acres seized and distributed. The People's Committee will administer this program, which is scheduled to be completed by March 31. Of the approximately 1,000,000 farm households north of 38 degrees in 1943, 26 percent owned their farms, 31 percent were part owners-part tenants, 42 percent were tenants, and 17 percent were in other categories.

"Rice collection and distribution program is considered to be making some headway, although it is too early to forecast whether ultimate target figures can be reached. A National Economic Board has been established in Military Government, consisting of the American Directors of the Bureaus of Commerce, Agriculture, Finance and Transportation, to study and coordinate economic policy for Korea and to assist in complementing the various programs for industrial and commercial rehabilitation.

"3. External situation.



"On March 19th [?] party consisting of Colonel Booth, M. Benninghoff, and five other Americans proceeded to Pyongyang at Russian invitation to complete arrangements for initial meeting of Joint Commission; they returned with signed copies of six basic agreements reached with Soviets as result of January joint conference (myrad Tfgcg 316, March 6th). These final agreements represented some recession from American desiderata as reflected in original provisional agreement concluded at conference, particularly with respect to movement of private persons and commercial traffic across 38 degree line.

"Although Soviets originally suggested March 11th as opening date for Joint Commission to meet in Seoul, tentative date has now been set by Soviets for March 19th. Illness of General Shtikov, Head of Soviet delegation, is stated to be reason for delay. An American liaison mission of three officers is now stationed in P'yongyang and has direct telephone connection with Seoul.

"Principal political activity in Russian Zone now appears concentrated upon creation of a solid political front under Communist domination which would provide strength for the Soviet position at meeting of Joint Commission.

"Cho Man Sik, former leader of Democratic Party in North Korea, is now reported to have disappeared; he was previously reported as being held in protective custody. Reports indicate ever-increasing restrictions on civil liberties on non-Communists in Russian Area and a further tightening of 38 degree border control.

"So-called 'People's Government', under leadership of Kim Il Sawng,<sup>69</sup> continues to assume greater importance in the north and may be held out by Soviets as an indigenous form of self-government, for purposes of invidious comparison with American Military Government, since Soviets claim to stay aloof from internal Korean politics. An armed Korean police organization known as 'Boan Dai' is reported at disposition of People's Government in carrying out policies and suppressing opposition. Funds for this government are said to be raised principally from forced 'contributions' levied on wealthy Koreans. Popular resentment is understood to be arising against methods of Boan Dai and Korean Communists.

"March 1st Korean Independence Day was reported to have been marked by disorders in Soviet area, including a bomb-throwing attempt of [on] life of Kim [Il] Sawng.

"Scarcity of food, fuel, medicines, and transportation is reported to be serious in Soviet Zone, while reports are received on continued stripping of industrial machinery from northern factories. Reports

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<sup>69</sup> Kim Il-sung (or Kim Il-song), who returned to Korea in 1945 from the Soviet Union as an officer in the Red Army, became head of cabinet of provisional people's committee for north Korea on February 9.

also persist that Soviets are shipping rice and other foodstuffs out of North Korea. Their propaganda continues to allege that large supplies of rice are being held in American Zone without distribution to Koreans. Russians have requested payment in rice for approximately 220,000,000 kwh of electric power furnished to southern zone, under threat of turning off power unless bill is paid. Our reply is that we will deduct cost of this power from credits owing to Southern Korea.

"Soviets have tentatively agreed to supply South Korea with 10 tons of chlorine and 30,000 tons of fertilizer monthly provided a satisfactory basis for payment in rice can be established. Final agreement would be subject to ratification by Soviet Commander.

"An increasing concentration of Soviet troops and material and construction of defenses is reported in Southern AAOC [area?] of Russian Zone. Former Soviet Consul General at Seoul has been requested by CG USAFIK to withdraw from circulation in American Zone certain Russian propaganda films and to refrain from all such activities in future."

LANGDON

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740.00119 Control (Korea)/3-2246: Telegram

*Lieutenant General John R. Hodge to the Secretary of State*

SEOUL, undated.

[Received March 22—12:30 a. m.]

To SCAP Tfgbi 232. For your information following is text of statement of Colonel General Shtikov, head of Soviet Delegation opening session of US-Soviet Joint Commission 20 March 1946.<sup>70</sup> Request be passed to State Department.

"General Hodge, Gentlemen: Our Joint Commission representing the American and Soviet commands is called upon to carry out the historic decisions of the Moscow Conference of the Foreign Ministers of the Soviet Union, the USA and the United Kingdom pertaining to Korea. These decisions express the good will and the wishes of the great Allied powers to assist by all means in the rehabilitation of an independent Korea, and in the creation of conditions for the development of this country on a democratic basis.

The great armies of the United States of America and the Soviet Union, having crushed the Japanese imperialists, have forever eliminated Japanese domination in Korea and liberated the Korean people.

Korea has entered a new stage of her development—a stage of national rebirth and reestablishment of state independency.

Gentlemen: The people of Korea with their ancient culture vividly expressed national self-consciousness, year after year suffering hardships and the humiliation of colonial slavery, this people deserves the

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<sup>70</sup> Documents tabled at the first five sessions of the Joint Commission were sent as enclosures to despatch 10, March 28, from Seoul; received April 9.



best future possible. With their blood and innumerable sufferings, the Korean people have earned the right for independence and a free way of life.

The Soviet people warmly support this right of the Korean people. The Soviet Union has always championed and will always champion their self determination and free existence of any nation without exception.

As all of us are convinced, the people of Korea are bent upon and have already shown their determination to create, with the help of the Allied powers, a free democratic Korean government, friendly to all the freedom loving nations.

The great aims of creating a democratic independent Korean state have brought to life wide political activity of the whole of the people of Korea.

The Korean people have formed their democratic parties, public organizations, people's committees as an organ of democratic self-government.

However, in the way of gradual democratization of the whole of the internal life of the Korean people, there stand serious difficulties, brought about by the furious resistance of reactionary and anti-democratic groups and certain elements, whose object is to undermine the work of creating and firmly establishing a democratic system in Korea.

The task of the US-Soviet Commission is to help the Korean people create a provisional Korean democratic government capable of fulfilling the tasks arising from the democratization and reconstruction of the country.

The future provisional Korean democratic government must be created on a basis of wide unification of all the democratic parties and organizations, supporting the decision of the Moscow Conference of the Ministers of Foreign Affairs.

Only such a government will be able to abolish entirely the remnants of the former Japanese domination in the political and economic life of Korea, to launch a decisive battle with reactionary anti-democratic elements inside the country, to carry out [out?] radical measures in the rehabilitation of economic life, to give political liberties to the Koreans and fight for peace in the Far East.

The Soviet Union has a keen interest in Korea being a true democratic and independent country, friendly to the Soviet Union, so that in the future it will not become a base for an attack on the Soviet Union.

The task of the Joint US-Soviet Commission deriving from the decision of the conference of the three Ministers concerning Korea consists also in working out, with the participation of the provisional Korean democratic government and assistance of Korean democratic organizations, the measures of aid and assistance with respect to trusteeship in political, economic, and social progress of the Korean people and the development of democratic self-government and in establishing sovereign independence at [of?] Korea. Such temporary trusteeship [now?] corresponds with the fundamental [hopes?] of the Korean people, inasmuch as it assures the condition of a most rapid national reconstruction and a revival of an independent Korean state on a democratic basis.



General Hodge: Concluding my speech, I wish on behalf of the Soviet Delegation to extend my sincere greetings to you and your distinguished delegates and to express my deep gratification that we shall work together with the representatives of the American command in the interests and for the good of the Korean people.

I am fully assured that our joint work will proceed in a spirit of mutual understanding and friendship and that we shall successfully and honorably fulfill the will of our Governments, expressed in the decisions of the Moscow Conference of the Foreign Ministers concerning Korea."

HODGE

740.00119 Control (Korea)/3-2946 :Telegram

*The Acting Secretary of State to the Political Adviser in Korea  
(Langdon)*

SECRET

WASHINGTON, March 29, 1946—8 p. m.

45. SWNCC 176/18<sup>71</sup> indicates that one function of the Joint Commission is to work out plans for a system of permanent govt and eliminate zonal arrangements, but US members, pending further instructions, were not to discuss this. Since plans for such system of permanent govt must be based on local conditions Dept would welcome info and advice as to type of govt most feasible and desirable. Presumably no clear lines can be laid out until Joint Commission is under way effectively and Korean provisional govt established, although suggestions you may have from time to time combining views of your associates there will be welcomed as a guide to Dept in revising paragraph 4b of SWNCC 176/18. Ref War 96200, Feb 6.

ACHESON

740.00119 Control (Korea)/3-1846

*The Secretary of State to the Secretary of War (Patterson)*<sup>72</sup>

SECRET

WASHINGTON, April 1, 1946.

MY DEAR MR. SECRETARY: Reference is made to the letter of March 18, 1946, signed by you and the Secretary of the Navy, with an enclosed copy of a letter to the Joint Chiefs of Staff,<sup>73</sup> the substance of which is a quoted radio message from General Hodge in Korea to General MacArthur. Although there is no date on the message from General

<sup>71</sup> January 28, p. 623.

<sup>72</sup> A similar letter was sent to the Secretary of the Navy (Forrestal).

<sup>73</sup> Letter of March 18 not printed, but for its enclosure, dated February 2, see p. 628.

Hodge, I note that the Supreme Commander's letter carries the date of February 2, 1946.

General Hodge refers to a State Department radio message No. 90 of January 27 which simply transmitted to him a message received by the State Department from our Embassy at Moscow. The Embassy's message contained certain comment on the Soviet attitude toward the Korean problem, but I must confess that I find little pertinency in General Hodge's subsequent comments to the message to which he refers.

I assume, although it is not clear from the text, that General Hodge, in referring to his "urgent recommendations beginning in October", has in mind his comments at that time to the effect that Koreans were not favorably disposed toward a trusteeship of Korea. General Hodge infers that he was not kept informed as to the progress of our thinking here in the Department in regard to a trusteeship. In this connection I should point out that SWNCC Document No. 176/8 of October 13, 1945,<sup>74</sup> which clearly indicated that this Government favored a trusteeship of Korea, was sent to General Hodge in October. Furthermore, in December a draft trusteeship agreement drawn up in the State Department was sent to General Hodge.

Whereas the views of General Hodge were given full consideration here, this Government had at various times and on various occasions indicated to the Governments of the Soviet Union, China and the United Kingdom its opinion that a trusteeship for Korea would be advisable. At Moscow in December, agreement was reached by these Governments in regard to Korea and this agreement made provision for a trusteeship.

With regard to General Hodge's comment that subsequent State Department broadcasts "shy away from the trusteeship idea", I may say that these broadcasts were made to indicate that we were not irrevocably committed to trusteeship provided another solution satisfactory to the four Governments concerned might be found, but they were in no sense indicative of a modification of our agreement at Moscow. They were in fact predicated on a hope that it might be possible to form a government capable of administering the country without need for an interim trusteeship. In this connection, it is to be borne in mind that the immediate and primary task of the Joint Commission is to form a provisional democratic government and not to discuss the pros and cons of trusteeship. Final decision with regard to trusteeship rests with the Governments of China, the United Kingdom, the Soviet Union and the United States.

Every opportunity is being used to keep General Hodge informed. This Department communicates directly with the Office of the Political

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<sup>74</sup> *Foreign Relations*, 1945, vol. vi, p. 1073.



Adviser to General Hodge, following informal clearance with the War Department. Material and studies gathered from official sources in Washington are being transmitted to the Office of the Political Adviser for the attention of General Hodge. Pertinent information on Korea obtained by our Embassy at Moscow is being transmitted directly to General Hodge.

During past months the Department has brought home on consultation the two departmental officers who have served as political advisers to General Hodge and these officers have returned to Seoul in a position to give General Hodge first-hand information regarding the Department's views on Korea. Ambassador Harriman<sup>75</sup> also visited Korea recently and consulted with General Hodge. Other officers who have gone out from the Department to assist General Hodge have spent a period of consultation in the Department. It seems evident from the foregoing that every effort is being made to keep General Hodge informed of the Department's viewpoint on Korea.

Quite apart from the foregoing, I wish to invite your attention to certain statements by General Hodge in the reference memorandum which cause me some concern. General Hodge states that his "best guess now is that north and south will never be really united until the Russians are sure that the whole will be soundly communistic", and he goes on to say that "based on current trends, I question our ability to stem the propaganda and control political maneuvering of the Soviets". In view of the fact that the American group on the Joint Commission has, under the direction of General Hodge, just commenced its discussions with the Soviet group, I confess myself somewhat perturbed by the attitude taken by General Hodge. I fully realize that he has a difficult task ahead of him. He will receive full support of this Department in performing that task. But I should feel less concern as to the outcome if General Hodge were not so convinced of failure at the very outset of the discussions.

With regard to the final paragraph in your letter, I should welcome any suggestions you have to make with regard to more effective methods which we might pursue collectively to assure that General Hodge is kept informed with regard to this Government's attitude towards the Korean problem and also to assure satisfactory progress in the negotiations now underway in Seoul.<sup>76</sup>

A similar letter is being address to the Secretary of the Navy.

Sincerely yours,

JAMES F. BYRNES

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<sup>75</sup> Mr. Harriman's appointment as Ambassador to the United Kingdom was confirmed by the Senate on March 27.

<sup>76</sup> In his reply of April 10, Mr. Patterson made no specific suggestions but concluded, "I feel sure that if we continue our efforts to give him [General Hodge] the fully integrated support of the government, the interests of the United States will be well served in Korea." (740.00119 Control (Korea)/4-1046)



740.00119 Control (Korea) /4-146 : Telegram

*The Acting Secretary of State to the Embassy in China*

SECRET

WASHINGTON, April 1, 1946—4 p. m.

564. Fourth and fifth meetings Joint (US-USSR) Commission. Seoul agreed that work proceed two stages: first, discussion recommendations for structure principles of organization of provisional government; second, to carry out Moscow communiqué provisions concerning assistance under trusteeship arrangements. No agreement on methods of consulting Korean parties.

ACHESON

740.00119 Control (Korea) /4-546 : Telegram

*The Secretary of State to the Political Adviser in Korea (Langdon)*

SECRET

WASHINGTON, April 5, 1946—4 p. m.

50. Dept appreciates full and informative reports made on meetings and issues Joint Commission, particularly summaries of position outlined in Tfurc 14 and 16.<sup>77</sup> No useful purpose would be served by entering into debate now over trusteeship and we therefore concur in your view that Korean dislike for this provision of Moscow Agreement cannot be used as a criterion to exclude Korean parties from consultation. Final decision with regard to trusteeship rests neither with Commission nor with Koreans but with the four Govts to whom Commission's proposals are submitted in accordance with second half of Para 3 of Moscow Agreement.

We feel that it can be usefully reemphasized to Russians, if it has not already been done, that the purpose of the Commission acting under Para 2 of Moscow Agreement is to make recommendations on the formation of a Korean democratic provisional Govt; that this Govt should be as nearly representative of the wishes of the Korean people as possible; that this purpose could be more readily carried out if the parallel 38 barrier were completely removed with regard to interchange of persons and info between areas; that we are prepared, if it would facilitate agreement in Commission for drawing up proposals, to undertake jointly with Soviets supervision of local elections to decide issue as to representative Korean parties; that, as stated in the Moscow Agreement, our sole objective in Korea is the development of democratic self-govt. and the establishment of an independent Korea which we might reasonably expect to maintain amicable relations not only with the USSR and the US but also with other United Nations;

<sup>77</sup> In despatch 11, April 11, from Seoul (not printed), papers for seven sessions as tabled by both sides were transmitted to the Department (740.00119 Control (Korea) /4-1146).

and that, while we are prepared to accommodate our views on reasonable procedural matters to those of the Soviet group on the Commission, we are not prepared to compromise on the objective and intend to persevere until that objective is achieved.

There is no question of our agreeing to a hasty, unsatisfactory settlement in order to relieve ourselves of responsibility which we fully intend to discharge and we therefore feel that your resolve not to prejudice fundamental objectives by anxiety and impatience to reach early agreement is very well taken. While desiring of course to reach a satisfactory solution as soon as practicable, we feel under no pressure to hasten matters and fully approve your attitude.<sup>78</sup>

BYRNES

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740.00119 Control (Korea)/5-446

*The Political Adviser in Korea (Langdon) to the Secretary of State*

[Extract]

SECRET

[SEOUL,] 10 April 1946.

44. Tfgbi 254. "Summary of Conditions in Korea March 15 through 31:

1. Internal situation: Principal political activity during period centered around continuance of efforts of both right and left-wing groups to unify and to marshal their forces for a test of strength when formation of an interim government is implemented by Joint Commission under terms of Moscow agreement. Position of these two groups with respect to each other is becoming more diametrically opposed, right wing in general supporting Military Government and continuing to oppose trusteeship principle, while leftist groups are becoming increasingly critical of U. S. and are in some instances, echoing sentiments and propaganda emanating direct from Soviet sources. Neither group appears confident of strength, of its fundamental position and both are attempting to increase their following by any possible means, particularly in rural districts. Political activity in both camps is apparently centered more upon personalities and upon jockeying for position than upon firm convictions with respect to fundamental issues.

In mid-March right-wing leaders held series of secret conferences looking towards formation of a single party of the right. By end of

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<sup>78</sup> For press release of April 5 on Department's position toward Korea, see Department of State *Bulletin*, April 14, 1946, p. 644.

period this movement appeared to have made little headway, possibly because of inter-party rivalry. On 18 March Rhee, Syngman resigned as chairman of Representative Democratic Council, offering ill health as reason. Council refused to accept resignation but granted him leave of absence, to which Rhee has agreed. He has recently been under attack from leftist press and propaganda as allegedly having given promise of important Korean mining concessions to New York firm should he become president.

Left-wing parties also continued efforts at consolidation through medium of Democratic People's Front. Communist Leader, Pak, appeared to be losing further influence, although no new leader of sufficient stature to take over left-wing leadership has yet emerged. Press and propaganda campaign against Rhee faction and, to lesser extent, against military government, continued. Certain Communist leaders have privately expressed opinion that Communist party in South Korea should not be dissipated by maintaining a majority of party members in those organizations affiliated with the Communist party. Rather control should be exercised by assigning only key personnel and by giving general directives to Allied organizations. Left-wing has strongly supported position taken by Shtikov in his opening address at initial meeting of Joint Commission on March 20, particularly emphasizing that only those groups which have supported Moscow Decisions should be included in transitional government. According to their interpretation this would automatically exclude all groups or individuals except the Communist-directed Democratic People's Front . . . .["]

[LANGDON]

740.00119 Control (Korea)/4-1146: Circular telegram

*The Secretary of State to Certain Diplomatic Officers*<sup>79</sup>

SECRET

WASHINGTON, April 11, 1946—2 p. m.

Joint US-USSR Commission Seoul deadlocked Apr 9. US final position: It will not hold dislike of Moscow communiqué (trusteeship) as criterion of acceptability of parties to be consulted in formation provisional govt. USSR final position: It will not speak to or consult with any party which has opposed Moscow communiqué.

BYRNES

<sup>79</sup> At Chungking.



740.00119 Control (Korea)/4-1446: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, undated.

URGENT

[Received April 14, 1946—7:40 a. m.]

Cite Tfurc 25 [Tokyo]. [From Langdon and Thayer.]

(1). After considerable pressure, including threat of full press release, Russians have now agreed to accept formula by which all parties, upholding aims of Moscow decision, abiding [*abide?*] by decisions of Joint Commission in forming a government and cooperation [with] “the Joint Commission in the working out by it with the participation of the provisional Korean Government of proposals concerning measures foreseen by paragraph 3 of the Moscow decision for helping and assisting (trusteeship) the political, economic and social progress of the Korean people, the development of democratic self government and the establishment of the national independence of Korea”.

(2). We are pressing for omission of parenthetical word trusteeship from declaration since it has such an explosive reaction on some Koreans. Shtikov has requested his higher command for permission to omit word. However, since it is in the passage of Moscow communiqué quoted, his request may be denied.

(3). Since the wording is in our view sufficiently qualified to permit those opposing trusteeship to sign declaration, we feel we can accept formula even with the word included.

(4). Unless there is objection and so inform us before Monday morning we will accept if necessary.

[LANGDON and THAYER]

740.00119 Control (Korea)/4-1446: Telegram

*The Secretary of State to the Political Adviser in Korea (Langdon)*

SECRET

WASHINGTON, April 16, 1946—7 p. m.

55. We are gratified with the Commission's success in reaching agreement outlined in Tfurc 26 [25] and concur in your Paragraph 3 in as much as we doubt advisability of pressing for elimination of parenthetical word trusteeship. Upon solution of these difficulties regarding consultation with parties and organizations, the matter of trusteeship can be put into the background while the Commission moves on to performance of its tasks under paragraph 2 of the Moscow Agreement. Final decision with regard to trusteeship, as stated in our 50 of Apr 5, will be reached by the four Govts on the basis of

proposals made by the Joint Commission under Para 3.<sup>80</sup> In the matter of selecting personnel for the provisional Govt we are confident that you appreciate importance of avoiding selection by Commission of uncooperative extremists irrespective of political affiliation.

BYRNES

740.00119 Control (Korea)/4-2346: Circular telegram

*The Acting Secretary of State to Certain Diplomatic Officers*<sup>81</sup>

SECRET

WASHINGTON, April 23, 1946—11 a. m.

Having blocked Soviet attempt exclude moderate rightist elements from participation formation provisional Korean govt by acceptable formula Hodge reports next problem selection representatives to be consulted. Foreseeing USSR will reject US idea of advisory group or union, US proposal will be consult immediately all parties both zones. Hodge assumes only Moscow-dominated parties exist Soviet zone and their cooperation with leftist parties US zone would produce Moscow-dominated slate. To combat this US delegation in consultations in Soviet zone will build up evidence to prove that all but leftist parties been excluded or suppressed in Soviet zone, that leftist parties two zones closely identified, that Americans prohibited observe in Soviet zone. Thereupon US delegation will demand either immediate lifting 38th degree barrier and complete freedom political activity by non-leftist groups in Soviet zone or acceptance US views re composition structure provisional govt. Third weapon would be threat full US publicity.

ACHESON

740.00119 Control (Korea)/4-2546: Circular telegram

*The Acting Secretary of State to Certain Diplomatic Officers*<sup>82</sup>

SECRET

WASHINGTON, April 25, 1946—10 a. m.

USSR delegation Joint Commission Korea proposed requiring Korean political parties select reps for consultation who "have not

<sup>80</sup> The Department's circular telegram of April 19, 9 a. m., to Chungking and London, reported the final agreement in which "Korean parties will be consulted re provisional govt who will declare support aims Moscow decision as stated communiqué para 1, declare they will abide by Commission's decisions in its fulfillment of para 2 and declare they will cooperate with Commission in its working out of measures foreseen in para 3." (740.00119 Control (Korea)/4-1946) For the Commission's decision on April 17, see text of communiqué issued on April 18, printed in Department of State *Bulletin*, January 26, 1947, p. 173.

<sup>81</sup> At London, Moscow, Nanking, and Paris.

<sup>82</sup> At Nanking.

compromised themselves by active opposition to Moscow decision and Allies." US delegation refused holding proposal violation of recent agreement.

ACHESON

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[For text of memorandum by the Secretary of State, the Secretary of War, and the Secretary of the Navy, dated April 25, 1946, on "Principles and Procedures Regarding Policy-Making and Administration of Occupied Areas" of Germany, Austria, Japan, and Korea, see volume V, page 674.]

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740.00119 Control (Korea)/4-3046 : Telegram

*The Acting Secretary of State to the Political Adviser in Korea  
(Langdon)*

SECRET

WASHINGTON, April 30, 1946—7 p. m.

63. 1. Dept feels American position outlined in your Tfurc 30 sound and hopes it can be maintained as criteria for consultation with representatives in line with that accepted for party recognition set forth in Tfurc 27.

2. It is not clear from Tfurc 34 as received here how requirement by Commission that a substitute be selected for a representative known to be hostile to Moscow decision or Soviet Union can be interpreted as a willingness of the Soviets "alone to take the consequences of refusing to deal with Korean party leaders hostile to them" since US is party to Commission.

ACHESON

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740.00119 Control (Korea)/4-3046 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, April 30, 1946.

[Received May 3—12:29 p. m.]

52. Tfgbi 265 [to Tokyo.] Summary of conditions in Korea April 1 through 15:

1. Internal Situation: Political scene has remained generally quiescent throughout period. Both Left and Right wing leaders engaged in speaking tours in provinces in effort to extend influence. Certain of Left-wing speakers were arrested in early April for distributing literature openly opposing Military Government and for speaking against it. Many other arrests of Leftists were made in southern part of American Zone for illegal assumption of government prerogatives,



such as issuance of rice permits, as well as for other activities against established order and authority. Closing in March by Military Government of Leftist "Seoul Law and Political School" for lack of proper credentials from Department of Education has caused several minor disturbances, including student "sympathy strikes" in other Seoul schools and universities. [Apparent omission] Has been obtained from Education Department and when political bias of teaching was eliminated. Closing received wide publicity in Leftist press. On April 15 a rally was held in Seoul by Left wing groups attended by about 15,000, at which speeches followed Communist line. Lyuh Woon Hyung, leader of People's Republic, was conspicuously absent. Reliable reports indicate that Lyuh is endeavoring to break with Communist factions and to bring his following to more moderate Left wing position, possibly in an effort to meet moderate Left wing groups on more mutually acceptable ground. Press comment concerning Soviet-American Commission dwindled considerably during period, principally due to lack of specific details as to result of meetings. All factions continued to try to glean every clue from commission's periodic joint communiqués as to subjects under discussion and degree of accord being achieved. Koreans are restive and dissatisfied with what they consider lack of concrete progress on part of commission and many are cynical as to probable effect of ultimate outcome in unifying country and restoring independence. Serious unrest in both North and South Korea is thought likely to develop should current talks fail to produce concrete results in the direction. Many Koreans, particularly those of Leftist tendencies, are more and more openly voicing opinion that both American and Soviet occupation forces should be withdrawn and that Korea should be permitted to run its own affairs free of all outside interference and influence except for services of selected advisors. . . .

3. External Situation: Other reports indicate that Soviets have largely completed program of stripping industrial equipment from plants within their occupation zone, and also that continuing shipments of large quantities of lumber, foodstuff, and other commodities are being made by rail and sea to Siberia. Serious shortage of artificial fertilizer, Soviet confiscation of many draft animals, and lack of adequate farm implements combine to render prospects for coming harvest poor in many areas north of 38 degrees. Rice shortage is still reported serious in some areas, due partly to lack of transportation. Central Government budget for North Korea from April 1 to December 31 has been set at approximately 624,000,000 yen and for provincial committees at about 544,000,000 yen. Funds would be raised by taxes, forced (contributions), bond issues, and lotteries. On April

9 an Army B-17 proceeding to Korea from Okinawa lost its bearing and while flying near Wonsan was forced to land at Wonfan airfield by Soviet fighter planes. Pilot and crew were held one day and questioned, but were well treated and plane was not molested. They were permitted to take off on April 10 and plane escorted to border by Soviet fighters. Reports were received of increasing incidence of disease in North Korea particularly smallpox, typhus, and plague. Large-scale Soviet Army maneuvers with full equipment, including tanks and artillery, were reported taking place south of Pyongyang during period, as well as continued influx of troops into southern areas of Soviet Zone.

LANGDON

-740.00119 Control (Korea)/5-846 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, 8 May 1946.

URGENT

[Received May 9—1:45 p. m.]

Tfure 42 [to Tokyo]. [From Langdon and Thayer.]

1. Current thoughts here on the form of future aid and assistance to Korea after the formation of the provisional Govt visage progressive reduction of Allied occupation and control over Korean affairs and complete withdrawal occupation forces as soon as practical.

2. It is generally agreed that the most essential factor in this plan is the early reduction of occupation troops to a minimum consonant with security. Any real reduction of Soviet troops will take considerable time to accomplish both in negotiations and in actual operation.

3. Consequently, it is suggested that Washington may desire to consider instructing the American Delegation at the Joint Commission at an early date to propose to the Soviet Delegation an agreement that the number of troops of each ally be reduced to no more than one division or a total of 15,000 troops, the bulk of which to be concentrated at central points in North and South Korea, this operation to be accomplished by the time the provisional government is inaugurated which we estimate will be during July or August.

4. Such a proposal would not only be good for the record at this time but would also give the Russians ample advance notice of a step which we regard as urgent if a provisional Korean Govt is to function normally and the undesirable features of multipower occupation, such as that of Austria and Germany, are to be eliminated.

[LANGDON and THAYER]

740.00119 Control (Korea)/5-946: Telegram

*Lieutenant General John R. Hodge to the Secretary of State*

SEOUL, undated.

[Received May 9—10:18 a. m.]

Following is a press release to be made here at 099910Z local time.<sup>83</sup>

When the Joint Commission commenced discussions on the formation of a provisional government the Soviet delegation proposed that all Korean elements which "had voiced opposition to the Moscow decision" be excluded from participation in the formation of the provisional government. The American delegation opposed any such exclusion rule on the ground that it denied the Koreans the fundamental democratic right of freedom of expression. When the Moscow decision on Korea was made public all parties and party leaders in southern Korea practically without exception expressed opposition to that provision of the decision which saw the establishment of trusteeship in Korea. The vast majority of southern Korea objected to this clause because they believed that it might unduly postpone their independence. Subsequently a minority of southern parties dominated by an inspired group abruptly reversed their position on this. [However?] exceptional dislike of trusteeship prevails to this day throughout the south. After prolonged negotiations the Soviet delegation offered as a compromise to consult with parties and organizations declaring their future support of the Moscow decision and publicly "denouncing the leadership which has misled them." Further, such leaders were to be excluded from any participation in the future provisional government of Korea. The American delegation rejected this suggestion on the ground that it amounted to a dictated purge of parties and was not in accord with the American conception of democratic political activity. As a result of 4 weeks of negotiation the Joint Commission agreed to require a reasonable degree of cooperation on the part of democratic parties and social organizations which were to be consulted. This agreement published in communiqué No. 5<sup>84</sup> did not require support of trusteeship but merely that parties and organizations to be consulted should "cooperate with the Commission in the working out of proposals concerning measures" regarding the trusteeship. In other words parties and organizations would be free to express themselves against a possible trusteeship

<sup>83</sup> Text of General Hodge's press release was sent in telegram 2239, May 10, to Paris, for the Secretary of State.

<sup>84</sup> For text of communiqué No. 5 on decision adopted at session of April 17, see Department of State publication 2933, Far Eastern Series 18: *Korea's Independence* (Washington, Government Printing Office, 1947), p. 19.



when the Commission undertook the working out of recommendations on the matter. This was clear in the declaration itself and was made a matter of record by the American delegation when the agreement was reached. Furthermore, in a number of explanatory statements the American Commander publicly stated that, no matter what form trusteeship might or might not take, southern Koreans were free to speak their minds on the subject. Having made this agreement and having thus in the view of the American delegation disposed of the problem of exclusion from participation in the formation of a government, the Commission was later presented with an additional proposal by the Soviet delegation to exclude representatives of the democratic parties and social organizations those who "actively oppose the Moscow decision." As this appears to be a violation of its previous agreement and was clearly contrary to the principle of freedom of expression the American delegation refused to agree to the Soviet proposal. However, in order to facilitate the progress of work it was offered to discuss in the Commission the eligibility of a representative if the issue were raised in individual cases. The Soviet delegation, however, insisted that a statement be published "warning" the organizations not to select representatives who were "opposed to the Moscow decision." Discussions on this point were still in progress when the Soviet delegation informed the Commission that all parties and organizations affiliated with the Representative Democratic Council of Southern Korea, an advisory body to the American Commander, were considered by it to be ineligible for consultation because of a statement of the acting chairman of the council whom the Soviet delegation quoted as follows:

"After detailed discussion of communiqué No. 5 we have decided that signing the declaration means cooperation with the American-Soviet Joint Commission in the matter of forming a provisional government and that after the government is formed we may express our opposition to trusteeship."

The Soviet delegation made it clear that it was not prepared to consult with these parties unless and until they renounced such views despite the fact that they signed the declaration in communiqué No. 5.

Inasmuch as the new situation thus created by the Soviet delegation will inevitably involve considerable delay in forming a provisional government in addition to the 6 weeks already devoted to the question, the American delegation suggested that pending clarification of the point the Commission undertake to remove the 38 degree parallel boundary as an obstacle to the reunification of Korea. The Soviet delegation refused to consider this proposal. Since there was no other task that the Commission could take up at this stage the American delegation was left with no alternative but to ask for an adjourn-

ment of the Commission. This was agreed to and the Commission adjourned on 6 May, 1946, sine die.<sup>85</sup>

Pending clarification of the matter of consultation in accordance with established democratic principles the American Command in Southern Korea has permitted complete freedom of expression for all elements of the political community to the limit contingent with military security. In the exercise of their right political parties and leaders have been free to express their objections to the trusteeships clause just as others have been free consistently and actively to criticize the policies of the American Command. To deny any democratic elements a voice in the formation of a Korean Government would mean penalizing them for expressing their views and denying them a right which has been enjoyed impartially by all parties and organizations in southern Korea since the American troops liberated it.

It is not the purpose of the American delegation to defend any school of political thought or to permit obstruction to the fulfillment of the Moscow decision nor is the American delegation defending the views of those who believe that trusteeship may unduly delay Korea's independence. However, it cannot and will not agree to any action by the Joint Commission which would deny more than 100 Korean democratic parties and social organizations the right guaranteed by the Moscow decision to participation in the formation of their own government simply because they have expressed honestly and openly their preference for immediate independence rather than for trusteeship. To agree to such an exclusion would not merely mean the elimination from political activity of all but a small group who have submitted to the prospect of trusteeship but would violate the universally acknowledged right for all people to freedom of expression promised them in the Atlantic Charter.

[HODGE]

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740.00119 Control (Korea)/5-846

*The Political Adviser in Korea (Langdon) to the Secretary of State*

TOP SECRET  
No. 20

SEOUL, May 8, 1946.  
[Received May 17.]

SIR: Reference is made to the Department's telegram No. 45 of March 29, 1946, requesting that suggestions be made from time to time, combining the views of the other members of the American delegation on the Soviet-American Joint Commission for Korea, which

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<sup>85</sup> Official minutes of the sessions from March 20 to May 6, "when the proceedings were suspended because of disagreement", were transmitted to the Department with despatch 26, May 17, from Seoul (740.00119 Control (Korea)/5-1746).

might guide the Department in revising paragraph 4B of SWNCC 176/18 of January 28, 1946, relating to plans for a permanent Korean government.

The Department's wish will be borne in mind and, as the Joint Commission's work progresses and the general scheme of government desired by the Korean people becomes known as a result of consultation with Korean political parties and social organizations, recommendations and suggestions for the permanent government of Korea will be submitted to the Department. In the meantime, in order to orient and prepare the American delegation in pre-planning for its tasks under paragraph 3 of the Moscow Communiqué, Section III, Korea, of December 29, 1945, it would be helpful if the Department outlined for the delegation specific measures under the following headings which presumably will have to be worked out by the Commission:

Measures for helping and assisting the

Political Progress,  
Economic Progress, and  
Social Progress of the Korean people;  
Development of Democratic Self-Government of the Korean people;  
Establishment of National Independence of Korea.

The development of the industry, transport, agriculture, and national culture of Korea is the function of the Korean Democratic Provisional Government under Paragraph 1 of the Moscow Communiqué, but the Soviet delegation on the Commission has taken the position that such development should also be assisted by the Commission.\*

For the Department's possible guidance, a statement roughly indicating the American delegation's concepts of what is involved in the

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\*The Soviet delegation, in an informal memorandum of May 2, 1946, proposes that the measures of assistance to be elaborated under paragraph 3 of the Moscow Communiqué should be along the following lines:

- A. Economical
  - Industry
  - Transportation
  - Agriculture
- B. Internal and External Trade
- C. Financial
- D. Training Korean Personnel
- E. National Culture
  - Economics
  - Culture
  - Health
- F. Political
  - Constitution
  - Government Structure
- G. Justice
  - Court System, Legal Codes, etc.

Simultaneously, a code on the elections of local organs of authority shall be worked out. The structure of the local government will have been determined during the first stage of work. [Footnote in the original.]



task of the Joint Commission under paragraph 3 of the Moscow Communiqué is enclosed.<sup>86</sup>

### *Trusteeship*

It might be appropriate at this time to make some observations on the question of a trusteeship for Korea as envisaged in paragraph 3 of the Moscow Communiqué.

Judging from the attitude of the Soviet delegation up to now, the Soviet Government will probably take the position that the measures worked out by the Joint Commission, with the participation of the Provisional Korean Government and Korean parties, for "helping and assisting (trusteeship) the political, economic and social progress of the Korean people, the development of democratic self-government and the establishment of the national independence of Korea" will be supervised if not partially administered by the authority in Korea, in whatever form it may take, representing the four interested powers or United Nations Organization. For example, the Soviet chairman of the Sub-commission on organization (of the Provisional Government) has formally proposed to his American colleague that, in the preamble of the Provisional Government's "charter," there be acknowledged the derivation of that government's authority from the Moscow Communiqué and a statement of "the principles of the (Provisional Government's) relations with the bodies effecting the trusteeship." Again, throughout the discussions so far in the Joint Commission, the Soviet delegation has stressed the need of recognition by all Korean parties and social organizations that Korea is to be subjected to four-power trusteeship during the life of the Provisional Government. Unlike the American authorities in south Korea, who have played the trusteeship theme *pianissimo* and placed much stock in Mr. Byrnes' remark in his radio address of December 30, 1945, that the Joint Commission, working with the Provisional Government "may find it possible to dispense with a trusteeship," the Soviet authorities in north Korea have made it plain to the Koreans that trusteeship is the meat of the Moscow Communiqué, that there is no alternative to it and that opposition to it is subversive.

Whatever Moscow's reasons for its seemingly wholehearted support of a trusteeship may be, individual members of the Soviet delegation have privately put forward sound arguments for trusteeship: the unpreparedness of Koreans for immediate independence, the present quarrelsomeness of Korean factions and need of Allied umpires; the advantages of Korea starting toward nationhood on a well-organized and better trained basis, the need for technical and material assistance,

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<sup>86</sup> Not printed.

et cetera. Thus, the delegation approaches the problem realistically and has no sympathy with Korean sensibilities over trusteeship. Rather, it loses patience with Korean boasts that no Allied help is needed. The delegation also takes the view that Koreans contributed little, if anything, to their liberation and, therefore, have no moral right to question the plans which their liberators have for their independence. As a matter of interest, it might be mentioned that the Soviet delegation has stated that Koreans are not ready for the Soviet form of democracy, which suggests that the Soviets perhaps desire trusteeship so that they might utilize it for cultivating their doctrines in Korea.

For the following reasons, it is now thought advisable that the United States Government decide firmly on a trusteeship for Korea for the whole or part of the probationary period and direct the American delegation on the Joint Commission to approach on that premise its assignment under paragraph 3 of the Moscow Communiqué.

(a) Two or three years of stable, centralized administration are essential for the Korean people to become reintegrated, to cool off from their excitements since the Japanese surrender, to learn discipline and team-work and to develop some elementary sense of individual responsibility for their national well-being;

(b) The Koreans will need initial help, guidance, training in organization and orderly procedures, and supervision *backed by authority* if they are to get a good start for independence;

(c) The Soviet Government is treating a trusteeship as something absolute and almost sacred;

(d) The United States has from the beginning been the chief proponent of a trusteeship for Korea;

(e) The Korean people will most likely become reconciled to a trusteeship when they see the extent of authority enjoyed by the Provisional Government under it and, presumably, the unobtrusiveness of the trusteeship agency;

(f) It will be easier for the American delegation to formulate concrete, definitive proposals if it postulates the existence of an authoritative organ to give effect to its proposals; also such postulation will make for greater harmony in working out proposals with the Russian delegation, which at times has misinterpreted the American delegation's defense of freedom of expression (by Koreans voicing dislike of trusteeship) as evasiveness with respect to the trusteeship feature of the Moscow agreement.

(g) An absolutist, repressive regime of Korean Communists is getting ensconced behind the Soviet Command in North Korea, which may conceivably, with Soviet Army connivance if Soviet troops prolong their occupation unduly, interfere with, defy, or nullify the authority and measures of the Provisional Government for the whole of Korea—the advantages of four-power responsibility for, and support of, the Provisional Government's authority in such a situation are obvious.



*Agency of Trusteeship*

If the United States Government should revise its present position that it may be possible to dispense with a trusteeship and decide that a trusteeship up to five years from the time of issuance of the Moscow Communiqué is mandatory, a major premise in approaching its tasks under paragraph 3, as far as the American delegation is concerned, would be a clear idea of the nature of the initial advisory, supervisory or control agency in Korea of the four interested powers or United Nations Organization which the United States envisages at this time. In this connection the following thoughts are projected:

The agency might be an organization of qualified advisors, instructors and experts from the four interested powers. Because of their intimate current experience with Korean affairs, the United States and the Soviet Union would, from a practical standpoint, be called upon to supply the majority of the personnel for the organization. For instance, if the organization required 500 persons (including military, constabulary, police and Coast Guard instructors), the United States and the Soviet Union would provide respectively say, 225 and 175, and Great Britain and China the remainder. Each of the four powers would be represented by a High Commissioner, who would also be administrative head of his nationals in the organization. The four High Commissioners might also form the executive body of the trusteeship organization, and the several national commissioners might be chairmen, in rotation, of this executive body. Or the four powers might prefer to select a permanent chairman. The rules for the organization's administration, proceedings, chairmanship, discipline, etc., would be drawn up by the four commissioners. The members of the organization would work in the several departments of the Provisional Government in an advisory capacity, and an instrument would be drawn up with the Provisional Government to the effect that in the event of dispute between advisors and Provisional Government authorities, the dispute would be referred to the executive body of the trusteeship agency for decision. The salaries of the organization's personnel might be outside the Provisional Government's budget and be paid directly by the Government concerned.

*Name of Agency of Trusteeship*

Although the relationship to the Provisional Government of the four-power organization would be that of a substantive trusteeship, a concession might be made to Korean susceptibilities by calling the organization say, "Allied Commission for Korea," or "Allied Co-operating Commission in Korea," or by some other name, and by regulating it by a four-power agreement independent of, and unrelated to, the United Nations Organization. The Koreans feel, and



with some justice, that their cultural level and history entitle them to different treatment at the hands of the United Nations from that applicable to peoples of mandated territories in Africa and backward races in southeast Asia which have not yet made any contributions to mankind or history.

*Foreign National Representation and Korean Representation Abroad.*

After the Provisional Government is installed and until the end of the trusteeship, foreign national interests in Korea might be represented by a Diplomatic Agent and Consul General, as formerly in Tangier. Korean interests abroad might be represented by diplomatic agencies at the capitals and by branches thereof at important places, controlled to some extent by personnel of the trusteeship organization in the Foreign Affairs Department in Seoul. This is suggested as a means of developing a Korean foreign service. With the establishment of foreign national representation as above indicated, the Soviet and United States Commanders, while still being vested with supreme authority, should perhaps have tactical jurisdiction only until the withdrawal of their forces.

*Disposal of Zonal Governments.*

The American delegation has proposed that the administrative system for southern Korea that has been set up and developed by American Military Government be adopted and enlarged as the administrative and executive machinery of the Provisional Government. There is no comparable Soviet military government or centralized Korean regime in northern Korea and the absorption by the southern Korean administrative system of the central and local "committees" governing north Korea ought to present no great mechanical difficulty. When or if the Soviet delegation accepts this proposal, American Military Government as such will automatically go out of existence and American personnel, which would assume advisory status, will progressively be withdrawn in favor of Korean personnel, as favored by the United States Government. The Soviet delegation has a plan for merging the two zonal governments not radically different from that of the American plan (see enclosure 2).<sup>87</sup>

*Schedule of Transition From Present to Final State of Korean Control.*

The following is a very tentative schedule of the successive stages in Allied control of Korea as envisaged by the American delegation, beginning with the present proceedings in the Joint Commission and ending with the liquidation of the trusteeship organization.

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<sup>87</sup> Not printed.

1946, June 30—Final selection of ministerial and other high personnel and determination of "charter" and platform of Korean Provisional Democratic Government. Submission of proposals regarding same to United States and Soviet Governments.

1946, July—Provisional Government being familiarized with existing administrative system in south Korea and central committee system in north Korea. Joint Commission studying on behalf of Provisional Government extension of south Korea administrative system to, or merger with, north Korean system. (The Soviet delegation in this period proposes to recruit the staff for the Provisional Government from Military Government in south Korea and People's Committee in north Korea.)

1946, July 30—Acceptance by four governments of proposals of Joint Commission for personnel, charter and platform of Provisional Government.

1946, August 1—Inauguration of Provisional Government. First substantial mutual troop withdrawal begins.

1946, August to November—Installation of Provisional Government and assumption by it of nominal authority over zonal administrative systems, which nominally cease to exist and actually begin to unite. Progressive actual authority and administration of affairs are assumed by Provisional Government. (The Soviet scheme envisages assumption and exercise of complete administrative authority as soon as feasible after inauguration.) Consultation with Provisional Government and parties on measures of assistance (trusteeship) begins and proposals for four governments are drafted. American personnel of trusteeship organization is enlisted (chiefly from Military Government), also possibly Soviet personnel, according to needs therefor of trusteeship as determined by Joint Commission in consultation with Provisional Government. Proposals of Joint Commission submitted to four governments, including need of additional personnel for trusteeship organization to be supplied, if so desired, by Great Britain and China. Second substantial reciprocal troop withdrawal begins.

1946, December—1947, January—Joint Commission's proposals studied by four governments. Additional (British and Chinese) personnel for trusteeship organization selected. Four-power agreement concluded. The several national High Commissioners appointed. Trusteeship organization installed in Korea. Joint Commission liquidated.

1947, February—Last troops withdrawn. (Note: Up to this point, supreme authority will have resided in the two Commanders. Following the final withdrawal of troops, supreme authority for the predetermined trusteeship period will be vested in the trusteeship or-

ganization, and an instrument suspending the complete independence of Korea and recognizing the supreme authority of the trusteeship organization during the period will be concluded with the Provisional Government before the final withdrawal of troops).

### *Troop Withdrawal*

It was gathered from private conversation with a member of the Soviet delegation that the Soviet Government has no plan of withdrawing its troops from north Korea during the probationary period. The foregoing schedule provides for three stages of withdrawal, with all troops to be gone by February, 1947, and is in line with the Government's policy that military occupation should end as early as practicable.† In view of the probable absence of any plan of troop withdrawal on the part of the Soviets, the Government might wish to consider immediate conversations with Moscow looking to withdrawal along the lines just indicated, so that the record will be in order for three-power pressure for an agreement on early total withdrawal when the time comes for the Joint Commission's proposals for "helping and assisting (trusteeship)" to be studied by the four powers. It is very clear to us here in Korea that there will never be any normal political or economic life in Korea or unhampered operation of a trusteeship so long as Soviet troops remain in the country.

The foregoing observations and enclosures have been submitted for review and comment to the Commanding General of the United States Armed Forces in Korea and to my associates on the Joint Commission. They embody many suggestions made by these authorities and have their general concurrence. For the Government's study, there is also enclosed copy of a memorandum on the first draft of this despatch prepared by Major General Archer L. Lerch, Military Governor, as well as a translation of an informal statement by Colonel General Shtikov, Chief Soviet Commissioner, of the Soviet Delegation's ideas on the order of the Joint Commission's work.<sup>88</sup>

Respectfully yours,

WILLIAM R. LANGDON

[Enclosure]

MEMORANDUM BY GENERAL LERCH, MAY 3, 1946 <sup>89</sup>

Subject: Proposed Report by Mr. Langdon.

I believe that Mr. Langdon has made a fairly accurate estimate of the situation.

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†SWNCC 101/4, 24 October 1945. [Footnote in the original; for text of SWNCC 101/4, see *Foreign Relations*, 1945, vol. VI, p. 1096.]

<sup>88</sup> Latter not printed.

<sup>89</sup> Submitted to General Hodge.



Mr. Langdon suggests that the Koreans may already be reconciled to trusteeship. I do not believe it. If the Joint Commission should announce today that the establishment of the Provisional Korean Government were to take place at once, followed by two years of trusteeship, we should see much disorder and rioting. The police might or might not be disaffected.

Nevertheless, I believe that Mr. Langdon has made a reasonably accurate, though probably optimistic, prediction of things to come.

If so, *conditioning the minds of the Koreans to receive the shock should begin now.*

Such conditioning cannot be done locally. It must come from on high.

A forthright statement by Mr. Byrnes of the time-table worked out by Mr. Langdon (*avoiding the word "trusteeship"*) as being the State Department's conception of a reasonable consummation of the Moscow Conference, would at least serve as a trial balloon. Such statement should begin by saying that the United States is pleased by the earnest effort and steady progress of the Joint Commission in laying the foundation for a free, independent, and united Korea; and that the Joint Commission is proceeding in strict conformance to the terms of the Moscow Conference. This would be followed by the detailed time-table. Following the word "Joint Commission liquidated" in the "December-January" paragraph, on page six, should be added: "The Allied Commission for Korea to help and assist the political, economic, and social progress, gradually relinquishing full control to the Korean people."

Mr. Langdon's calendar should be amended throughout to refer to "the Allied Commission for Korea" wherever the word "trusteeship" appears.

Under no circumstances should Mr. Langdon's memorandum result in a secret directive to the American members of the Joint Commission. The statement should be an open one coming direct from the top. Neither you nor General Arnold can withstand the Korean reaction, if such an announcement is first made in a joint communique, as it must be some day unless other groundwork is laid.

If Mr. Langdon will incorporate such recommendations in his memorandum, I shall be in complete accord with it.

ARCHER L. LERCH

895.50/4-1246 : Telegram

*The Acting Secretary of State to the Political Adviser in Korea  
(Langdon)*

CONFIDENTIAL

WASHINGTON, May 10, 1946—8 a. m.

67. For Bunce<sup>90</sup> No. 15. Position of Dept of State concerning its interest in and responsibility for action on question of Korean imports to meet "other purposes of the occupation" apparently needs clarification. In message War Dept to CinCafpac (CM-Out 84362, 12 Apr 1946)<sup>91</sup> impression is given in par 2 that State Dept will undertake singlehanded to determine level of general economic activity in Korea and extent of rehabilitation in particular industries which will be permitted. Although need to give further thought to the general problem of economic development and re-orientation of Korea is acknowledged, State Dept's position with respect to subject matter of War Department cable above referred to was restricted to consideration of narrower question of US financial responsibility for imported items which do not fall in class of goods required for prevention of such disease and unrest as would endanger the occupying forces. Dept's position should not be construed as attempt to place general limitations on Korean economic development.

State Dept believes US financial obligation should include items required to accomplish "other objectives of the occupation," but War Dept has thus far not agreed. If War Dept were to consent to the undertaking of financial responsibility for such items it would probably ask State Dept for recommendations concerning amounts of development and levels of activity in various industries. In this event we would in turn ask your recommendation. Probably advisable to commence preliminary consideration of these problems both in Korea and in Washington.

ACHESON

702.6195/5-1046 : Telegram

*The Acting Secretary of State to the Ambassador in France (Caffery)*

SECRET

WASHINGTON, May 10, 1946—1 p. m.

2240. For the Secretary. Apr 27 Gen Hodge called in USSR ConGen Seoul asked him cease consular functions pending regularization his position by Sov Govt with US Govt, pointing out that no other power even US maintains consulate Seoul and US has no consulate north Korea. Sov ConGen replied he could not cease consular functions without authority Moscow. May 6 Sov ConGen wrote

<sup>90</sup> Arthur C. Bunce was chief of economic mission to Korea and chairman of the U.S.-U.S.S.R. Joint Commission's subcommission on economic-administrative matters.

<sup>91</sup> Not printed.

Hodge that his position and matter of reciprocal establishment US consulate north Korea must be settled through diplomatic channels by two Govts hence any action Hodge might take toward depriving Sov Consulate of opportunity normally continuing its work or depriving workers of food gasoline etcetera would be considered unfriendly act by US military authorities toward Sov Govt rep.

May 9 Dept instructed Emb Moscow<sup>92</sup> notify FonOff we desire open US consulate Pyonyang (Heijo) north Korea and anxious obtain clearance Sov Govt, requesting reply ten days two weeks. Emb to point out irregularity Seoul Sov consulate's position and fact we actively considering question whether there shall be continuation Sov consular representation Seoul. Not for transmission Sov we informed Emb if no favorable reply within fortnight we will request Sov discontinue consular activities Seoul.<sup>93</sup>

Texts principal telegrams being air pouched.

ACHESON

740.00119 Control (Korea)/5-1446: Circular telegram

*The Acting Secretary of State to Certain Diplomatic and Consular Officers*<sup>94</sup>

SECRET

WASHINGTON, May 14, 1946—8 a. m.

On leaving Seoul with USSR deleg May 9 Gen Shtikov remarked he had not communicated with Moscow on decision withdraw from Joint Commission meetings.

ACHESON

740.00119 Control (Korea)/5-1446: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, May 14, 1946.

PRIORITY

[Received May 15—8:23 p. m.]

59. Summary of conditions in Korea April 16 through April 31 [30].

1. Internal situation: . . .

Efforts to merge various Right Wing parties into single Korean Independence Party (Hankook Dok Lib Dang) under leadership of Kim Koo has finally been partially successful, only Hankook Democratic

<sup>92</sup> Telegram 869, 6 p. m., not printed.

<sup>93</sup> In telegram 1519, May 14, 3 p. m., from Moscow, Ambassador Walter Bedell Smith reported that he had sent an urgent letter to the Soviet Foreign Office in which he had set May 24 as the date to inform his Government of the Soviet reply (125.0095/5-1446).

<sup>94</sup> At Moscow and Nanking.



Party continuing to remain aloof. Second convention of Left Wing Democratic People's Front was held at Seoul April 20-21, dominated by Pak Heun Yung, Communist leader. Approximately 300 delegates were present although Lyuh Woon Hyung of People's Party did not attend, lending some emphasis to his claim of attempting a break with extreme Communist elements. Major business of convention was drafting recommendation for organization of interim government for submission to Joint Commission. These recommendations have not been formally presented. Lyuh is known to have visited Pyong-yang from April 19th to 25th, reason given being to meet political leaders in North Korea. He saw Communist Chairman, Kim Il Sawng, on April 23 and 24th, as well as two other members of North Korea Communist Triumvirate. Kim asked Lyuh to send politically trained men from Seoul to assist him, saying that he (Kim) did not have sufficient experience to maintain his position properly. Lyuh rejected request but suggested Kim come to Seoul. To which he replied he could not leave his job in North. Dr. Syngman Rhee commenced speaking to all of South Korea provinces April 15, in effort to strengthen following in those areas thus far predominately under Left Wing influence. On April 17th seven men were arrested in Taejon in connection with plot to assassinate Rhee upon his scheduled appearance there several days later. Democratic Party of North Korea announced on April 30th that its Headquarters had been moved to Seoul. Although still in Soviet custody, Cho Man Sik continued nominally as President and is believed still to maintain contact with his party. During period press was concerned mainly with 5th Communiqué of Joint Commission and with Lt. Gen Hodge's statement of April 21st analyzing trusteeship, general Korean reaction to both of which was favorable. Leftist newspapers continued to ease away from former policy of direct attacks on Military Government, for its alleged mistakes blaming instead bad counsel of so-called reactionary Korean elements surrounding it. Few disorders were reported during the period.

2. Economic conditions: . . .

3. External relations: Increase was noted in number of instances of border violation by Soviet troops involving thievery, attacks on civilians, patrolling south of 38 degrees, and other illegal acts. A letter was sent by CG USAFIK to Soviet Commander on April 16th calling attention to these incidents and suggesting a more precise mutual definition of border, to which Soviet Commander agreed in letter of April 24th. On April 27th formal representation was made to Soviet Army Headquarters requesting tighter control over greatly increased number of illegal Japanese and Korea refugee movements southward across line, in compliance with agreement for joint border

supervision reached in January joint conference. Recent reports indicate that Soviets are restricting travel of Koreans in southern provinces of their zone through system of travel permits and identification certificates without which private persons may not leave their districts. Evidence points to probable eventual extension of travel restrictions to whole of North Korea as possible curb to anti-Communist activities. Presumption is persons crossing line into South Korea do so mainly with Soviet acquiescence. Growing underground resistance to Communist regime is reported, particularly on part of student and Church groups and farmer propertied classes. Increasing number of instances of demonstrations and violence against Soviet troops and Korean Communists are reported, principally on part of youth groups. Removal of Headquarters of Democratic Party of North Korea to Seoul is believed effort to carry on opposition to Communist regime from outside territory. Soviet land reform program said to be popular with many Korean farmers, but others are reported uncertain as to ultimate ownership status of land and dissatisfied with small size (12.5 acres) of revised individual holdings.

LANGDON

740.00119 Control (Korea)/5-1746: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, 17 May 1946.

[Received May 18—3:29 p. m.]<sup>95</sup>

Tfure 47 [to Tokyo]. The public statement suggested in Tfure 46, May 16th<sup>96</sup> represented consensus of Joint Commission opinion. I was not entirely in accord with the idea of publicizing conditions under which we would resume negotiations and [felt?] that such approach would not create an atmosphere conducive to early resumption of negotiations which I consider of paramount importance in the present situation. They, on the other hand, consider that our conditions under which the talks could be resumed should be confirmed in a public statement by Washington. My thought was the issuance of a public statement that would be directed rather at the Korean people to only [allay?] their present frustration, disappointment and doubts. I had in mind a brief statment to effect that the Department is in full accord with General Hodge's position, that the American Delegation is ready at any time to resume talks, and that it is anticipated that

<sup>95</sup> Text printed from corrected copy received May 20, noon.

<sup>96</sup> Not printed; the suggested public statement was intended to answer a Moscow press announcement on the adjournment of the Joint Commission. It proposed resumption of negotiations whenever the Soviet delegation was ready to acknowledge that freedom of expression would be safeguarded throughout Korea. (740.00119 Control (Korea)/5-1646)

such resumption will not be unduly delayed. The Commission has seen this message and has agreed to my transmitting this dissenting view.

[LANGDON]

740.00119 Control (Korea)/5-1846: Telegram

*The Ambassador in the Soviet Union (Smith) to the Secretary of State*

SECRET

Moscow, May 18, 1946—9 a.m.

[Received May 18—4:42 a. m.]

1564. Embassy's 1546, May 16.<sup>97</sup> Blast appearing in May 15 *Izvestiya* should dispose of question of Moscow reaction to withdrawal of Soviet delegation from Joint Commission talks (Tfure-45<sup>97</sup>). Delegation action obviously now has, as it almost certainly did prior to its departure, Kremlin backing.

We agree with Thayer's recommendation that trusteeship issue be soft-pedalled. Fundamental issue—establishment of truly representative provisional govt—is firmer ground for facing up to USSR especially as it would apparently rally maximum Korean cooperation. In assuming this position we shall of course be confronted with persistent Soviet drive along general lines summarized in Embassy's 237, Jan 25.

Will Dept please repeat this message to Seoul and Tokyo PolAds.

[SMITH]

740.00119 Control (Korea)/5-1846: Telegram

*The Acting Secretary of State to the Political Adviser in Korea (Langdon)*

US URGENT

WASHINGTON, May 18, 1946.

69. Your Tfure 56 [46]<sup>98</sup> Acting Secretary on afternoon 17th made following statements:

QUES: Has any communication been passed between this country and the Soviet Union concerning the deadlock of the Joint Commission in Korea and if any such message has passed between the two countries can you tell us something of their nature?

ANS: The answer is "no". No communication has passed on a governmental level. The Commission has simply adjourned and has not dissolved since it has no authority to dissolve.

<sup>97</sup> Not printed.

<sup>98</sup> Not printed; see footnote 96, p. 679.



QUES: If no communications have passed between the two countries how will the US proceed with a view to bringing about a more rapid Soviet-US agreement on the Korean Provisional Government?

ANS: US representatives on the Joint Commission are ready at any time to resume negotiations for the fulfillment of the Moscow decision as soon as the Soviet delegation to the Commission is ready to acknowledge that freedom of expression will be safeguarded throughout Korea in the implementation of the Moscow decision. The Dept has been kept fully informed by General Hodge on all phases of the negotiations and fully concurs in the position which he has taken.

ACHESON

740.00119 Control (Korea)/5-2246

*Memorandum on Meeting of Secretaries of State, War, and Navy,  
May 22, 1946, 10:30 a. m.*

[Extract]

TOP SECRET

Present: The Secretary of State  
The Secretary of War, Mr. Patterson; accompanied by  
Assistant Secretary of War, Mr. Petersen.  
Assistant Secretary of the Navy, Mr. Sullivan; accompanied  
by Captain Dennison.  
General Hilldring<sup>99</sup>  
Mr. Matthews

KOREA

MR. BYRNES inquired as to the present situation in Korea. GENERAL HILLDRING said that the Joint Commission had adjourned sine die. MR. PATTERSON said that all the negotiations of the Commission boiled down to the fact that the Russians insist on excluding all parties from participation in Korean Political life except the Communists. They are doing this on the ground that all the other parties opposed the "trusteeship" provided for in the Moscow Agreement and are, consequently, opposed to the United Nations. In fact, however, the Communist party originally likewise opposed trusteeship but almost immediately received instructions to change their attitude. General Hodge has insisted that all parties be permitted to participate. GENERAL HILLDRING said that he hoped to present to Mr. Byrnes in several days a recommendation with regard to Korea. The Office of Far Eastern Affairs of the Department of State believes that there is not much

<sup>99</sup> Gen. John H. Hilldring, Assistant Secretary of State for Occupied Areas.

hope for future accomplishment by the Commission and suggests that we proceed to hold elections immediately in southern Korea. These elections would not be for a national government but would be for higher political office than those held in Germany. He said that the time has come to admit that we picked the wrong horse in supporting Kim Koo which support, in view of his lack of popular support in Korea, is bringing ill will toward the United States. Our hope is to stimulate some political activity in our zone, which is now completely dead. MR. PATTERSON commented that General Hodge had emphasized the political immaturity of the Koreans, characterizing them as very backward and unruly. GENERAL HILLDRING said that the weakness of our position lies in the fact that the Russians have actually placed Koreans in office, however much they may be guided by Russians, and are making political capital out of the situation in our zone where everything is done directly by military government officials. He feels that we should get off this spot. MR. BYRNES said that he agreed with the proposal. Mr. Byrnes said that he regretted very much that nothing has been accomplished since the Moscow Agreement since Korea is the one instance where we have attempted to work out direct U.S.-Soviet cooperation without the complications of the presence of other nations. Its failure is therefore all the more unfortunate. He inquired as to who would hold the elections and GENERAL HILLDRING replied that they would be held by our military government as is the case in Germany.

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125.0095/5-2246 : Telegram

*The Ambassador in the Soviet Union (Smith) to the Secretary of State*

SECRET

Moscow, May 22, 1946—8 p. m.

PRIORITY

[Received May 22—4:02 p. m.]

1619. ReEmb's 1519, May 14.<sup>1</sup> Subject proposed USA Consulate at Pyongyang, Korea. Lozovski<sup>2</sup> replied on May 21 to my letter of May 14 as follows:

"In connection with your letter of May 14 in re to desire of American Government to open Consulate of USA in Pyongyang, I should like to call to your attention that fact that, as is known, Consulates are established by mutual agreement of govt of a country wishing to open a Consulate with the govt of the country on territory of which this Consulate should be opened. In accordance with above, Soviet Govt considers that question of establishment of American Consulate in Pyongyang must be decided on basis of agreement between Govt of USA and the Korean Govt which should be formed in the not distant

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<sup>1</sup> See footnote 93, p. 677.

<sup>2</sup> Solomon Abramovich Lozovsky, Deputy Minister for Foreign Affairs of the Soviet Union.

future in accordance with decision of Moscow Conference of three FonMins, the more so since, as is known, in Pyongyang no Consulates, including American, have existed up to this time and, accordingly, it is a question of establishment there of new Consulate. As regards Soviet ConGen in Seoul, a Russian Consulate in Seoul, as is known, was already established in 1885, in agreement with Korean Govt and a Soviet ConGen has been functioning continuously from 1925 on basis of commonly accepted forms of international law. Therefore Soviet Govt sees no basis for connecting question of future functioning of Soviet ConGen in Seoul with question of establishment of new Consulate of USA in Pyongyang."

I recommend that I be authorized to inform Lozovski that after a certain date in near future the Soviet ConGen will no longer be permitted to function and its personnel will be allowed to depart from American zone of occupation. I will then see the Foreign Office personally, and put the matter on a *quid pro quo* basis.

Dept please repeat to Tokyo as Moscow's 42, and Seoul.

SMITH

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740.00119 Control (Korea)/5-2246

*The Political Adviser in Korea (Langdon) to the Secretary of State*

RESTRICTED

SEOUL, May 22, 1946.

[Received June 6.]

SIR: I have the honor to transmit herewith, as of possible interest to the Department, a copy of a special press release made by the Commanding General, U.S. Army Forces in Korea, on May 15, 1946, concerning the suspension of the extreme rightist newspaper, *Dai Dong Ilbo*,<sup>3</sup> for a period of three weeks. There is also enclosed a copy of the offending editorial published by the *Dai Dong Ilbo*.<sup>4</sup>

It is believed that the action of the Commanding General in this instance will materially assist in showing the public that the American military forces in south Korea are making a sincere effort to be impartial in their control over newspaper articles and public utterances which are considered inimical to law and order and to good relations with the Soviets. There has been relatively little local press comment, either adverse or favorable, to the action of the Commanding General in this matter.

Respectfully yours,

For the Political Advisor  
ARTHUR B. EMMONS, 3RD  
*Foreign Service Officer*

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<sup>3</sup> Great Eastern News, headed by Lee Chong-hyawng.

<sup>4</sup> Latter not reprinted.



[Enclosure]

*Special Press Release by Lieutenant General John R. Hodge,  
May 15, 1946*

Lt. General John R. Hodge, Commanding General, United States Army Forces in Korea, today made the following statement in regard to suspension of the Dai Dong Press:

"As I have pointed out repeatedly, it has been my fixed purpose to foster complete freedom of the press here in southern Korea. I realize that it is no easy task suddenly to acquire this freedom and to exercise it without abuse. By and large, the press of southern Korea has exercised its liberty with a gradual increase in maturity and intelligence. However, I regret to state that some organs of the press of various shades of opinion have frequently abused their rights, have slandered members of the Allied Nations, have violated the elementary rules of libel and have on occasion tried to incite the public to hatred and violence including murder and have praised attempts at murder.

The right of free press involves reciprocal obligations. These obligations are not fulfilled when an organ of the press consistently inflames the public mind with falsehoods, encourages criminal acts or abuses and libels foreign powers. Under normal circumstances, such acts would be dealt with in courts of law, but until Korea attains full independence, recourse to the courts is not always possible. I must, therefore, take upon myself the unpleasant task of punishing offenders in my capacity as Commander of the American Occupation Forces.

In spite of repeated specific warnings over a period of several weeks, one organ of the Korean Press has signally failed to show understanding of its responsibilities as a member of the fraternity of the free press. I have today issued orders suspending the Dai Dong Press for a period of three weeks with a warning that if upon resumption of publication it does not demonstrate a proper responsibility and does not show better international and local manners, I shall suspend publication altogether.

At the same time, I take this opportunity of warning publicly other offending organs which are abusive, libelous, and inaccurate in their reporting and editorials. I wish it fully understood that the growing campaign of libelous abuse and deliberate inaccuracy in certain other organs of the press must cease.

It is pointed out that this action in suspension is separate and distinct from any legal action that may be taken for specific violations."

702.6195/5-2446 : Telegram

*The Secretary of State to the Ambassador in the Soviet Union (Smith)*

SECRET

WASHINGTON, May 24, 1946—2 p. m.

U.S. URGENT

965. Dept authorizes procedure recommended in final para urtel 1619, May 22. Suggest FonOff be advised your Govt will expect Soviet ConGen to cease functioning and its personnel withdraw from Seoul within a fortnight. Meanwhile it might be useful for you to pursue matter of our opening Consulate at Pyongyang. In this connection you may express opinion your Govt that continued existence or establishment of consulates in Korea is matter for decision by authorities of Govts whose military forces are in effective control of the areas in question.<sup>5</sup> In support your position you may wish to refer to Hyde, *International Law*, Sec. 701, and Garner, *International Law and the World War*; Vol. II, pp. 59-61. This Govt shares Soviet Govt's hope that a provisional Korean Govt can soon be formed in accordance with the Moscow Agreement but does not admit that in existing circumstances formation of such a Govt is prerequisite to establishment of consular offices in Korea. It is hoped that the Soviet Govt will give renewed and urgent consideration to this Govt's request. Repeated to Seoul.

BYRNES

740.00119 Control (Korea)/5-2446 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*<sup>6</sup>

SECRET

SEOUL, 24 May 1946.

[Received May 24—5: 09 p. m.]

Tfure 48 [to Tokyo]. [From Langdon and Thayer.] In view of *Izvestiya's* clarification on 15 May of Soviet reaction to commission's adjournment the following observations on our present position and future course would appear appropriate.

It is now all too clear that despite US occupation of Southern Korea the Russians have intended to impose a united front policy throughout the country differing only slightly from those in Yugoslavia, Bulgaria and Rumania. Such a policy if we could be forced to accept it would doubtless hasten and simplify Soviet control over

<sup>5</sup> In telegram 550, August 3, 1 p. m., to Nanking, the Acting Secretary indicated the Department's intention to invite Chinese and British Governments to open consular offices at Seoul (740.00119 Control (Korea)/7-946).

<sup>6</sup> In telegram 82, May 29, 9 p. m., to Seoul, the Secretary called the views expressed in this telegram "helpful here in present thinking paralleling yours", asked for further comments, and said he would advise on developments after SWNCC consideration (740.00119 Control (Korea)/5-2446).



the entire Peninsula. It is therefore entirely possible that the Kremlin will delay a resumption of negotiations and wait for our natural impatience, our demobilization problems, declining American interests in Korean affairs and local dissatisfaction with the division of the country to oblige us to supply speedy solution of these terms, i.e., a united front which excluding [*excludes*] all but elements controllable by the Communist Party. On the other hand, if we stand firm, it is not unlikely that Russia will find her long range interests best served by reaching a compromise solution on a government acceptable to us, thereby accelerating our departure from Korea and thus, in her estimate, leaving the Soviets a free hand to pursue their political aims here.

Whether she persists in pushing a united front or decides to compromise, it is clear that we should (a) indicate to Russia our firm determination to resist Soviet domination of Korea and our readiness to stick it out as long as may be necessary to ensure Korea from such domination and (b) take advantage of the Korean Communists' unpopularity among moderate patriotic elements to consolidate the position of the latter in the south and encourage their resistance in the north.

While these objectives cannot of course be achieved overnight, patient and tactful guidance of the Korean leaders and firmness both in Washington and here as to our conditions for resuming the implementation of the Moscow decision should eventually produce desired results.

On the international front, it is recommended that aside from the reiteration of our position whenever appropriate, no effort to initiate high level discussions with Moscow be undertaken for the time being. Similarly we should avoid indications of impatience. Another important element in such a program is to avoid as far as possible any impression that there is a division in our camp, that Washington is pressing General Hodge to revise his position, or that high officials at home suspect him of favoring certain unpopular elements at the expense of others. In this connection the UP story by Hensley on 18th May caused considerable harm by enabling the Communists to demonstrate to their now unenthusiastic bedfellows that American support of democratic elements is divided and unreliable.

Consolidation of democratic elements can in our view be best accomplished by increasing the participation in Military Government and preparing them to take over more responsibility as our occupation and Military Government forces are perforce reduced. A prerequisite to this is the formation of a true coalition of all democratic parties, which can probably be brought about by convincing them that the quickest way to achieve lasting independence is first to unify in the



south; second, to participate in the administration as a coalition of independent parties; and possibly, thereafter to use their unified prestige to press for unification with the north.

As predicated in Tfurc 45 <sup>6a</sup> local reaction of Koreans to our press release on Commission's adjournment has been favorable though despondency and depression have mingled with satisfaction at our unexpectedly firm stand vis-à-vis the Russians.

All groups support Hodge with the exception of the Communist controlled Democratic People's Front consisting of a number of youths, women, labor unions, and farmers' alliances of indeterminate strength and two small splinter parties in addition to the People's Party and the Communists. This front is so controlled by a small group of Communistic infiltrators that neither the parties themselves nor their individual members have any opportunity of expressing themselves. Thus while even the head of the People's Party and chairman of the People's Front, Lyuh Woon Hyung, has admitted that he would prefer immediate independence to trusteeship, he has half-heartedly supported the latter under Communist pressure. He further admits that at least two members of his party's Executive Committee have Communist Party cards and is said to have confessed to being no longer able to control the party. These familiar tactics have rendered the front a formidable stalking horse for the Communists who have little or no real support among the population. It cannot be denied that the front is supported by a large number of genuinely patriotic Koreans with progressive leanings whose participation in Korean politics would be most desirable if they could speak for themselves. It has, therefore, been General Hodge's policy to encourage these elements to throw off Communist domination and reach a working agreement with other parties which would justify granting them more participation in government affairs. This policy culminated in the formation of the Representative Democratic Council to which all major parties were invited. All except the Communists accepted but at last moment Lyuh of the People's Party deserted. The council cannot, therefore, be called completely representative of all patriotic elements and has consequently not been given much opportunity to participate in Government.

This has until recently been the general situation through [*though*] a growing restlessness at the domination of the Communists, disgust with the illegal and terroristic tactics of Communists' organized labor and farm groups and bitterness at Russian pillage in the north have tended to decrease the front's popular support. On the other hand some members of the front, distrustful of America's reliability in

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<sup>6a</sup> Not printed.

preventing eventual Russian domination here found it personally expedient to play along with the Kremlin's supporters.

In the past 2 weeks three events have shaken the so-called left considerably. First, a group led by Lyuh's younger brother bolted the People's Party denouncing it for its subservience to the Communist and setting up a Socialist Party which calls itself the Party of the Patriotic left. Second, a widespread counterfeiting ring implicating several officials of the Communist Party was found in the building which houses the Party's HQs. Third, the Commission adjourned on an issue in which the great mass of Koreans believe the Russians were wrong. These three events have so shaken the front that prominent members of the front have begun to waver and Lyuh the elder has personally made overtures to Kim Kiu Sic, Acting Head of Representative Democratic Council. To [We?] have encouraged this tendency as much as discretion permitted and have pressed the right to accept such overtures with good grace.

Tenable temporary setback has, however, interrupted this development, inasmuch as a UP story from Hensley in Washington blaming Hodge for the Commission's breakup gave encouragement to those who believe that a split in the American camp will give eventual success to the Russians. It is hoped that we shall soon be able to squelch its effect sufficiently to permit a resumption of negotiations between right and left. In the meantime we are biding our time and not pushing the matter.

However, provided a satisfactory coalition of patriotic parties can be achieved, without Communist collaboration, General Hodge proposes to increase their participation in affairs considerably by creating a Korean Nonadministrative Cabinet and Legislative Body which, subject to his supreme authority, will enact regulations and laws for the period prior to the establishment of a Unified Provisional Government under the Moscow decision. It will be made clear by adequate publicity that this step is not designed to postpone unification but, on the contrary, by giving the initiative to Koreans in the South to hasten its realization. In this connection there are indications that Korean puppets in the north are finding their position more and more difficult and might possibly be induced to enter into private negotiations with a southern coalition to form a government slate which an American delegation might eventually put forward for consideration by the Commission should it reconvene.

It will be noted from the above that public opinion from home that the American authorities are backing exclusively such conservative elements as Rhee and Kim Koo are unfounded. We have largely ig-



nored the latter who as a result of his own political ineptitude has almost dropped out of political scene. Rhee, on the other hand, has been cooperative in rallying all shades of opinion toward unification and has been helpful in preventing his following from excessive anti-Allied demonstrations. At the same time he has made conciliatory gestures to the Russians and has urged his many followers to do likewise. General Hodge does not necessarily feel that Rhee is essential or even desirable in a future provisional government, but so long as he is one of the few nationally known leaders among democratic elements, his cooperation now can hardly be dispensed with.

The Department's reactions to the above would be appreciated as soon as possible especially with respect to the establishment of an interim non-administrative cabinet and legislature.

It is not the intention of General Hodge to take any step that might prejudice the resumption of Joint Commission negotiations or that would give the Koreans grounds for fearing that we are rendering the division of the country permanent. On the contrary we would stress to the Koreans the temporary and practical nature of the new setup; however, some positive action is essential to encourage the Korean people and indicate progress toward self rule.

[LANGDON and THAYER]

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740.00119 Control (Korea)/5-2646: Telegram

*The Secretary of State to the Political Adviser in Korea (Langdon)*

RESTRICTED

WASHINGTON, May 25, 1946—4 p. m.

79. *New York Times* article under Seoul date line May 23 states that: Col. Preston Goodfellow political adviser to Gen. Hodge is departing for Tokyo and US; principal accomplishment of Col. Goodfellow was organization of democratic Council; "explaining that his work had been completed Col. Goodfellow said today: 'We've got to turn over to the Koreans as soon as possible the job of self-government'. He added that the Koreans were ready for self-government and that provincial elections should be held as soon as possible;" and that "Col. Goodfellow declared that if the Soviet delegation to the Joint US-Soviet Commission did not return to the deliberations here soon the Americans should go ahead with the job of setting up a separate government in Southern Korea".

For Dept's info in connection possible future publicity please comment on above.

BYRNES



892.00/6-346 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, 3 June 1946.

[Received June 4—11 a. m.]

Tfure 50 [to Tokyo]. [From Langdon and Thayer.] Reference State serial 82 May 29th.<sup>7</sup> We feel elections within the next few months would be helpful not merely to determine relative strength of parties but also to give the Koreans practice in the elementary forms of democratic procedure under American guidance. It would also stimulate organizational activity in the provinces of non-Communist controlled parties which until recently had devoted all their effort to politicizing here in the capital. Furthermore the prestige of any body to which elected representatives are sent would be greatly enhanced thereby.<sup>8</sup>

We believe that best way accomplishing this is to arrange series of indirect elections from villages to counties and thence to provinces, each province to elect one or two representatives to legislative body. Elections would be free to all over 21 and would employ the traditional Korean town meeting electoral methods on the lowest levels, but above some secret ballot box device. If carefully supervised, it is believed such elections would produce useful results and some worthwhile additions to local political scene. It would possibly be necessary to forbid or at least prevent any combining of parties on one ticket and in that case Communists might possibly not participate since they seem reluctant to enter any contest in which they are not assured of an unfair opportunity to win. Election results would therefore probably be described as reactionary in the North and in the Soviet press but would undoubtedly enhance the prestige of the Democratic left at the expense of the Fifth Column. Furthermore, if limited to the provincial level, the results of such elections would not complicate our negotiating position if and when the commission reconvenes.

It is contemplated that elections of this nature could be organized within two months. In the meantime appointive members of the legislative could function without waiting for their elective colleagues to be chosen. Hodge concurs.

[LANGDON and THAYER]

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<sup>7</sup> See footnote 6, p. 685.

<sup>8</sup> In telegram Tfgez 397, June 4, from Seoul, the Department was informed that "It is absolutely essential that whatever steps are taken in connection with establishment of a Korean Policy Cabinet and Senate that all public statements make clear that this Korean participation is supplemental to the Military Government and not a 'Separate Government' for South Korea." (740.00119 Control-(Korea)/6-446)

125.0095/6-546 : Telegram

*The Ambassador in the Soviet Union (Smith) to the Secretary  
of State*

SECRET

Moscow, June 5, 1946—5 p. m.

PRIORITY

[Received June 5—3:40 p. m.]

1766. ReEmb's 1678 [1679], May 28.<sup>9</sup> After my conversation with Molotov <sup>10</sup> on May 28 I confirmed our conversation in letter of May 29 requesting him to review and reconsider adverse decision given to proposal of US Govt to open Consulate in P'yongyang. In letter dated June 4 Lozovski, on instructions of Molotov, replied as follows:

"Recently command of American troops in southern Korea has undertaken number of arbitrary actions in relation to Consul General of USSR in Seoul. These actions have been directed not only to complicating but also to making impossible normal function of Soviet ConsGen. In view of above, I request you to bring to knowledge of Govt of USA that Soviet Govt, in connection with these circumstances, has decided to close ConsGen of USSR in Seoul.

"For safeguarding of buildings and property of Soviet ConsGen, a few persons will remain whose names will be communicated to American command in Seoul."

I intend to make following reply to Lozovski in event that Dept finds it contains no error in statement of fact: <sup>11</sup>

"This will acknowledge your letter of June 4, 1946, informing me of decision of Soviet Govt to close ConsGen of USSR in Seoul, Korea. I will inform US Govt accordingly.

"I have also taken note of statement in your letter that this decision is result of number of arbitrary actions by command of American troops in southern Korea in relation to ConsGen of USSR in Seoul which has made impossible normal functioning of Soviet ConsGen. I must inform you that only action taken by commander of American troops in southern Korea with respect to Soviet ConsGen has been to request regularizing of status of this ConsGen by agreement either between our two governments, or directly with United States Army commander in Southern Korea, and suspension of its activities until this was done. I am aware that as late as May 10, personnel of Soviet ConsGen were being provided with rations and gasoline, were given privilege of purchases of goods at American military stores (post exchanges), and were accorded diplomatic immunity and other special privileges, and that no action was taken to require Mr. Poliansky to cease his consular activities pending decision of Soviet Govt on request of United States for accrediting, on reciprocal basis, of small consular representation at P'yongyang.

<sup>9</sup> Not printed.

<sup>10</sup> Vyacheslav Mikhailovich Molotov, Minister for Foreign Affairs of the Soviet Union.

<sup>11</sup> In telegram 1032, June 7, to Moscow, the Secretary replied: "Dept concurs your proposed statement to Lozovski which contains no error." Moscow's telegram 1766 and Department's 1032 were repeated in telegram 86, June 7, to Seoul.

"Since, in all respects, personnel of Soviet ConsGen in Seoul have been treated with full consideration by American military authorities, from time of capitulation of Japan and occupation of southern Korea by American troops approximately nine months ago, I am sure you will realize that the statement that actions of American command have complicated or made impossible normal functioning of Soviet ConsGen in Seoul is without foundation.

"All suitable facilities will be afforded for safeguarding of buildings and property of Soviet Govt in Seoul.

"Although I do not wish to press unduly for reply, your reference to my letter of May 29 leads me to inquire if I may have at early date decision on request of my Government for establishment of United States Consulate in northern Korea, since it is my understanding, as result of recent conversation with Mr. Vyshinski,<sup>12</sup> that it is view of Soviet Govt that Consulates should be established as needed and not necessarily on reciprocal basis. As pointed out in my previous communication, US Govt desires to open US Consulate at P'yongyang where United States nationals have title of important manufacturing, missionary, cultural and residential property, as result of which my Government feels need for carrying out in that area normal consular functions."

SMITH

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740.00119 Control (Korea)/6-646

*Memorandum by the Assistant Secretary of State for Occupied Areas (Hilldring) to the Operations Division, War Department*<sup>13</sup>

SECRET

WASHINGTON, June 6, 1946.

It is recommended that the following message together with the conclusions of the attached paper be transmitted to SCAP as soon as possible and that the entire paper be forwarded at an early date.<sup>14</sup>

Following are conclusions of a State Department political policy paper on Korea, concurred in by War and Navy Departments and transmitted to you for information and guidance. Entire paper is being forwarded by courier. In implementing any of the below listed provisions you are cautioned not to exceed your current budget. Steps have been taken to prepare a new JCS directive for Korea based on political principles outlined below and including expanded cultural and economic measures which are considered necessary in order effectively to implement a revised policy.

J. H. HILLDRING

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<sup>12</sup> Andrey Yanuaryevich Vyshinsky, Deputy (Assistant) Minister for Foreign Affairs of the Soviet Union.

<sup>13</sup> The same was sent to the Assistant Secretary of the Navy (Sullivan) with a request for a favorable reply.

<sup>14</sup> Sent to General MacArthur in telegram War 90716, June 7, for forwarding to General Hodge in Korea.



## [Annex]

## POLICY FOR KOREA

## THE PROBLEM

1. The problem is to determine the basic objectives of the United States with regard to Korea and how best to achieve these objectives through further negotiations in the Joint Commission and through unilateral action in southern Korea, pending the establishment of a Provisional Korean Government.

## FACTS BEARING ON THE PROBLEM

2. See Appendix "A".<sup>15</sup>

## DISCUSSION

3. See Appendix "B".

## CONCLUSIONS

4. It is concluded that:

*a.* The basic objectives of the United States with regard to Korea as a whole are:

(1) To establish a self-governing Korea, independent of foreign control and eligible for membership in the United Nations;

(2) To insure that the national government so established shall be a democratic government fully representative of the freely expressed will of the Korean people; and

(3) To assist the Koreans in establishing the sound economy and adequate educational system necessary for an independent democratic state.

*b.* It is the intention of the United States Government to achieve its objectives in Korea within the framework of the Moscow Agreement and to this end to do all in its power to achieve the fulfillment of the terms of the Agreement and in particular the attainment of Korean independence at the earliest possible date.

*c.* The military occupation of Southern Korea is for the purpose of facilitating the attainment of basic United States objectives in Korea and shall continue as long as it contributes to this end.

*d.* With a view to preparing Koreans for early independence and winning popular Korean support for United States policies and thus strengthening the United States position in future negotiations with the Soviet Union, the Commander of United States Forces in Korea, pending the establishment of a nation-wide Provisional Korean Government, shall broaden the basis for Korean participation in the administration of Southern Korea. Insofar as the following can be

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<sup>15</sup> Not printed.

accomplished without impairing the maintenance of the necessary military control, he shall:

(1) Utilize qualified Koreans in as many posts of responsibility as possible in the local and provincial administrations and in the administration of the United States zone as a whole:

(a) Using popular electoral processes for the selection of Koreans to occupy key posts in local and provincial administrations and in the administration of the United States zone as a whole;

(b) For all appointive posts, selecting Koreans insofar as possible from all political groups; and

(2) Establish through broad electoral processes an advisory legislative body which shall supersede the present Representative Democratic Council of Southern Korea and shall have the duty of formulating and presenting to the United States Commander draft laws to be used at his discretion as a basis for political, economic and social reforms in the southern zone, pending the establishment of a Provisional Korean Government. The Commander of the United States Forces in Korea shall put into effect such draft laws except when they are inconsistent with basic United States objectives or the Moscow Agreement.

In the implementation of paragraphs (1)(a) and (2) above, the United States Commander shall make every effort to insure that all major political groups participate in all elections.

*e.* As a further measure to win popular Korean support for United States policies and thus strengthen the United States position in future negotiations with the Soviet Union, the Commander of United States Forces in Korea shall take steps to institute a broad program of constructive economic and educational reforms for Southern Korea looking toward the creation of conditions favorable to the development of a strong and lasting democratic system in Korea. The advisory legislative body, when constituted, shall be encouraged to assist in formulating this program and to take the lead in initiating draft legislation for its implementation. All major reforms shall, if possible, be initiated by the advisory legislative body, and no major reform shall be undertaken without consultation with this body and, preferably after obtaining its support. Further instructions regarding specific features of such an economic and educational reform program will be provided by the United States Government for the guidance of the United States Commander.

*f.* In implementing paragraphs *d* and *e* above, the Commander of the United States Forces in Korea shall continue to permit full freedom of expression to all political groups and shall seek the cooperation of representatives of all groups in the administration of southern Korea. No Korean shall be barred from an appointive or elective post

because of his political affiliations. As a general policy, however, the United States Commander shall encourage the selection of leaders who remained in Korea throughout the period of Japanese rule and shall in no way oppose the voluntary retirement from politics of Korean leaders who have returned to Korea since the Japanese capitulation.

*g.* The public information program shall be utilized to the fullest to further Korean understanding of and support for United States policies in Korea.

*h.* While implementing paragraphs *d* and *e* above, the Commander of United States Forces in Korea should not lose sight of the intention of this government to establish, as soon as possible, a nation-wide Provisional Korean Government, in accordance with the terms of the Moscow Agreement. To this end, the United States Commander, while standing firm on the principle that freedom of expression must be safeguarded throughout Korea, shall be prepared to instruct the United States representatives on the Joint Commission to resume negotiations with the Soviet representatives at any time and shall propose the resumption of negotiations whenever there is reason to believe that there may be a basis for agreement within the Commission without compromising United States principles. In particular, he shall be ready to exploit any favorable reaction on the part of the Korean people or the Soviet representatives on the Joint Commission to conditions resulting from the implementation of paragraphs *d* and *e* above as the basis for agreement regarding the establishment of a nation-wide Provisional Korean Government. When negotiations are resumed, the United States representatives shall look to SWNCC 176/18<sup>16</sup> for guidance and shall also consider the following additional suggestions as possible means of resolving the present impasse in the Joint Commission:

(1) To hold nation-wide elections of a type consistent with United States concepts of democracy in order to select the group of representative democratic Korean leaders called for in paragraph 4*d*(1) of SWNCC 176/18;

(2) To hold nation-wide elections of a type consistent with United States concepts of democracy in order to select the key members of a nation-wide Provisional Korean Government;

(3) To accept for consultative purposes the advisory legislative body called for in paragraph *d*(2) above as representative of all democratic parties and social organizations in southern Korea; and

(4) To use members of such an advisory legislative body for key positions in a nation-wide Provisional Korean Government.

*i.* Pending the establishment of a Provisional Korean Government, the United States Commander in Korea shall continue to strive for

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<sup>16</sup> January 28, p. 623.



the coordination of economic and administrative matters between the United States Command in southern Korea and the Soviet Command in northern Korea, insofar as this can be done without prejudicing the attainment of basic United States objectives.

j. For the purpose of attracting the well-qualified personnel essential to the effective operation of the United States occupation in southern Korea, a substantial program shall be initiated to provide acceptable living accommodations for the families of United States personnel. In addition to providing living accommodations by utilizing and remodeling former Japanese owned property, new construction should be undertaken. Other facilities, such as schools, hospitals, and household supplies shall be made available to all United States personnel and their families. Accommodations shall also be provided for personnel on specialized duty requiring only brief visits.

[Subannex—Extracts]

#### APPENDIX "B"

##### DISCUSSION

1. The major current statements of United States policy with regard to Korea are SWNCC 176/8<sup>17</sup> and SWNCC 176/18.<sup>18</sup> These two documents no longer fully meet the needs of the situation in Korea. The former was designed as guidance for the initial stages of the occupation of southern Korea prior to the assumed early unification of the United States and Soviet zones and the creation of a Korean Government or a Trusteeship. The latter document was designed as guidance in the negotiations with the Soviet authorities over the establishment of a Provisional Korean Government as a preliminary step in the unification of Korea and the creation of a Trusteeship or an independent Korean Government, as called for in the Moscow Agreement.

When the Joint Commission adjourned sine die on 8 May 1946, negotiations looking toward the creation of a Provisional Korean Government came to a halt. It obviously will be extremely difficult to reopen these negotiations and push them to a successful conclusion. Thus, the United States authorities in southern Korea are faced with the prospect of an indefinite prolongation of the present unnatural division of Korea and the postponement of all plans for the creation of a Trusteeship or independent Korean Government. It is necessary, therefore, at this time to reexamine United States policy with regard

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<sup>17</sup> October 13, 1945, *Foreign Relations*, 1945, vol. VI, p. 1073.

<sup>18</sup> *Ante*, p. 623.

to Korea in order to determine what are our basic objectives there and how under present circumstances these may best be attained.

2. The fundamental United States objective with regard to Korea, simply stated, is the independence of Korea. This the United States has promised in the Cairo Declaration and subsequent statements. Korean independence is important not only for the sake of the Koreans themselves but also as a means of strengthening political stability throughout the Far East, for the domination of Korea by either Japan or the Soviet Union would further endanger Chinese control of Manchuria and would thus lessen the prospect of the creation of a strong and stable China, without which there can be no permanent political stability in the Far East. If we are to establish a self-governing Korea, independent of foreign control and eligible for membership in the United Nations, we must also assist the Koreans to establish the sound economy and adequate educational system essential to an independent state. To be consistent with our own principles of freedom and liberty, we must also be prepared to insure that the National Korean Government we help establish is a democratic government fully representative of the freely expressed will of the Korean people.

. . . . .

4. As a result of the joint occupation of Korea by United States and Soviet forces, basic United States objectives with regard to Korea can only be attained through agreement with the Soviet Union. In fact, the policy problems raised by Korea assume added significance because they entail the necessity of agreement with the Soviet Union and thus become part of the much more vital problem of relations between the United States and the Soviet Union. While the United States should hold firm to its basic objectives with regard to Korea, it should be recognized that an amicable agreement with the Soviet Union over Korea is to be desired not only as a means of achieving our objectives there but also as a factor facilitating a Far Eastern and general understanding with the Soviet Union.

5. If an agreement over Korea is to be reached with the Soviet Union, it is imperative that the United States strictly observe the Moscow Agreement. The United States Government, therefore, in attempting to achieve its objectives in Korea should work within the framework of the Moscow Agreement and to this end should do all in its power to achieve the fulfillment of the terms of the Agreement and in particular the attainment of Korean independence within a maximum period of five years.

6. A satisfactory agreement over Korea with the Soviet Union can only be made if, in the future, common ground for agreement can be found where none now exists or if the Soviet authorities are per-

suaded to modify their present position by the force of Korean public opinion ranging itself in support of United States policies as opposed to Soviet policies in Korea. In other words, the way to resolve the present impasse in our favor would seem to be to adopt a course of action in southern Korea which would win such active popular support for United States principles and practices as to force the Soviet Union to modify its present stand and at the same time would make an understanding easier by developing common ground for agreement with the Soviet Union.

9. While winning Korean support for United States policies, it should not be forgotten that the creation of a broader basis for agreement with the Soviet Union is equally important. The measures outlined in paragraph 7 above should prove to be equally valuable for this purpose. A broad program of constructive economic and educational reforms would probably contain many features which would be acceptable to the Soviet authorities and might help to create greater confidence among them in our aims and methods. The inclusion of Koreans from all political groups in our administrations in southern Korea and the holding of popular elections also should afford new ground for agreement. In particular, the holding of elections to choose an advisory legislative body should enable us to create a Korean leadership in the south which is more truly representative of all Korean political opinion than is the leadership of the present Representative Democratic Council of southern Korea, which includes no leftists of any kind. Such a new leadership should prove to be not only stronger but also more acceptable to the Soviet Union than the present Council and, therefore, a factor strengthening rather than weakening the possibility of agreement with the Soviet Union. For these reasons the United States Commander should seek the cooperation of representatives of all political groups in the administration of southern Korea and should not bar any Korean from an appointive or elective post because of his political affiliation.

10. Agreement not only between the Soviet and United States authorities but also between the various factions in southern Korea would also be greatly facilitated if certain personalities who have been the storm centers of recent political controversy in Korea were to retire temporarily from the political scene. There is reason to interpret the collapse of negotiations in the Joint Commission as the result of a clash between United States insistence upon respect for the principle of freedom of speech and Soviet determination to prevent certain avowedly anti-Soviet Korean leaders from participation in a Provisional Korean Government. These leaders constitute a group of older *émigré* Koreans who have returned to Korea since the



capitulation of Japan. They are not thought to be completely representative of Korean political opinion, nor are they felt to be essential to the establishment of Korean democracy or the attainment of United States objectives in Korea. On the other hand, their presence on the political scene greatly increases the difficulty of reaching an agreement with the Soviet Union. For these reasons, it can be concluded that the attainment of United States objectives in Korea is on the whole hampered rather than aided by their participation in Korean politics.

11. The various measures outlined above are not ends in themselves but are means of achieving basic United States objectives in Korea through agreement with the Soviet Union on the basis of the Moscow Agreement. These measures are meant to facilitate but not to delay such an agreement. The Commander of United States Forces in Korea, therefore, while initiating these various measures, should not lose sight of the intention of this government to bring the negotiations of the Joint Commission to a successful conclusion as soon as possible through the creation of the Provisional Korean Government provided for in the Moscow Agreement. To this end, he and the United States representatives on the Joint Commission should be prepared to resume negotiations with the Soviet representatives at any time and should, in particular, be ready to exploit in these negotiations any favorable reaction on the part of the Korean people or the Soviet representatives to conditions resulting from the implementation of these measures as the basis for agreement regarding the establishment of a nation-wide Provisional Korean Government. The United States Commander should not only be receptive to any Soviet suggestion that negotiations be resumed but he should also be prepared to take the initiative in their resumption when he had reason to believe that there exists a basis for agreement within the Commission without compromising the principle that freedom of expression must be safeguarded throughout Korea.

740.00119 Control (Korea)/6-746

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

No. 31

SEOUL, June 7, 1946.

[Received June 17.]

SIR: As of possible interest to the Department, there are enclosed herewith <sup>19</sup> translations of the following printed documents of politi-

<sup>19</sup> Enclosures not printed.

cal action issued by local branches of the Communist Party in Korea for party members:

Document A—March 30, 1946. Instructions (general) No. 12 of Pusan City Committee;

Document B—April 2, 1946. Instructions by Pusan City Committee in regard to propaganda policy concerning the U.S.-Soviet Joint Commission;

Document C—April 3, 1946. Instructions by In'chon City Committee re policy "as to the Joint Conference between the U.S. representatives and those of the Soviet Union in Seoul."

Document C was seized in a raid by the Military Government Counter Intelligence Corps officers on the Communist daily, *Inchon Shinmun*, on May 7, 1946, in the course of law enforcement. The other two documents were brought to C.I.C.'s attention.

Mr. Eugene Prostov, of the Department's Economic Mission to Korea (under Dr. Arthur C. Bunce, JK) who served as interpreter of the American delegation on the U.S.-Soviet Joint Commission, has made the following analysis of the documents:

"These documents indicate (1) that the party line of the Korean Communist Party published on 3 April 1946 is identical with the line followed by the Soviet Delegation in the meetings of the Joint Commission through 8 May 1946; (2) that, judging by identical phraseology, both lines derived from the same or closely related instructions; (3) that the leftist propaganda and demonstrations were controlled by the Communist Party in a centralized and well-organized manner so as to assist the Soviet Delegation; (4) that the Communist Party has confidence in being able to collaborate with, and utilize for its own ends, the Democratic People's Front, of which it is one of the four component parties; (5) that as early as 3 April 1946, the Communist Party (and, by implication, the Soviet Delegation) intended to discredit and bar from both consultation and provisional government not only the Democratic Council, but also all or most of the other than Communist-controlled leaders, by using the criterion of non-support of the Moscow Decision; (6) that it was a firm intention of both the Communist Party and the Soviet Delegation to defer the discussion of the 38th parallel and economic problems of unification until the establishment of an adequately controlled 'United Front' government; (7) since the Communist Party instructions spell out the objectives of the Soviet Delegation, and are completely consistent with them, they not only explain the Soviet tactics at the conference, but also throw some light on the Soviet intentions vis-à-vis the formation of a future Korean government, its structure and personnel, which were to have been pursued had the Commission continued its work.

The following are the highlights of the documents, with parenthetical references to the proceedings of the Joint Commission: 'Principal object of our . . .<sup>20</sup> propaganda campaign should be . . . influencing the Joint Conference,' (C); 'the result must be brought to bear on the Joint Commission,' (B):

(1) 'We should insist firmly upon the Soviet representatives' demands . . . saying that these demands are expressive of democracy and what the people want.' (C)

(2) 'We should separate the anti-democratic parties from the people and expose their . . . actions . . . and falsehoods.' (C)

(3) 'Let the people know that the Conference is to establish real democratic government.' (B, C; Joint Commission, 24 April).

(4) 'Inform that . . . our political parties and organizations only (viz., the Democratic Front) will have the right to participate in the Joint Commission.' (B, C; Joint Commission Shtikov, 11 April; Tsarapkin in SubCommission #1, May 6, 1946, etc.)

(5) 'If the above shall be carried out, all problems, rice . . . inflation, the 38th parallel, will be fundamentally solved.' (B, C; Joint Commission: Shtikov: inflation, 20 April; 38th boundary, 6 April, 1946).

(6) 'Any ones who will wipe out their previous mistakes and return to our democratic form, we will welcome them.' (B, C; Joint Commission—provision for renouncing errors as laid down in Soviet Document, 6 April; also Shtikov, 5 April.)

(7) 'To oppose the party registration law which is worse than those of a totalitarian state.' (A, B, C; Joint Commission: Tsarapkin in Sub-Commission #1, 1 May, 1946, page 5)

Part II of Documents B and C lays down 'concrete regulations' in connection with the above. These are of particular interest, since they relate to parties and leaders which were to be excluded.

#### A. Parties that can participate in the Joint Commission:

(1) Those who act for the welfare of the people and are supported by the people (B, C: Tsarapkin, March 22).

(2) Parties and organizations which appeared independently and naturally, and are working reasonably.

(3) Those supporting the Moscow Decision (Shtikov, March 22).

(4) All those of Democratic People's Front have the right to join the Joint Commission. (B, C; Tsarapkin, 5 May; Shtikov, 6 May, 1946)

#### B. Parties and organizations that cannot participate in the Joint Commission: (B and C)

(1) Representative Democratic Council (Shtikov, 4, 6 May; Tsarapkin, 5 May) and other parties that have opposed Moscow Decision (Shtikov, 22 March).

(2) Reactionary parties and groups inimical to the U.S.S.R. (Shtikov, 5 April 1946)

(3) Those opposed to the welfare of the people; those opposed to the People's Front, and those advocating terrorism; anti-democratic,

<sup>20</sup> This and subsequent omissions indicated in the original.



pro-Japanese and treasonable groups (allusions throughout the work of the 1st Sub-Commission beginning 30 March 1946)

C. Acceptable leaders: Pak, Heun Yung; Lyuh, Woon Hung, Hu, Hun; Kim, Doo Bong; Kim, Il Sawng; Iee, Choo Ha; Tshei, Moo Chawng; Kim, Won Bong (NB: the list consists of the names of leaders of the People's Front parties as well as those of the Communist Party.)

D. Reactionary leaders who must be positively rejected: Rhee, Syngman; Kim, Koo; An, Chai Hong; Kim, Seung Soo; Cho, Wan Koo; Cho, Man Sik; Chang, Duk Soo; Cho, So Ang (NB: these are doubtless the names of those with whom the Soviet Delegation would have refused to consult. In 7 cases the reason for rejection is stated to be opposition to trusteeship; other reasons given include instigation of student soldiers, fascism, terrorism, capitalism, treason, being anti-Russian, being pro-Japanese, opportunism, feudalism, conservatism, and even nationalism, having no definite opinion, etc. The list includes every prominent conservative leader in the south and also Cho, Man Sik, who is not conservative in the north.

E. Lists, without further explanations 'those who are neither against nor for trusteeship': Kim, Kyu Sik; Kim, Pyung Rho; Hong, Meing Hui. (These are probably individuals who would be acceptable to the Communists as a last resort. Kim, Kyu Sik is a strong liberal leader of wide popularity; others are relatively minor figures.[]]

F. Form of Government (note: the shape of things to come is most clearly stated in Document A: 'To insist that the Provisional Government . . . will be the People's Republic in regard to its national constitution and the people's system in regard to its form of government.' Document B enjoins caution, but states that 'when the government is established, and the governmental form is decided, insist on the following: The People's Republic and the People's Committee have been developed independently and naturally, so support them absolutely.' People's Committees were included as the recommended type of local authorities in the Soviet proposal of 14 April, 2nd Sub-Commission.)

(Note: In Soviet political tradition, People's Republics are democracies assisted into being wherever feudalistic survivals make impracticable the outright adoption of socialism; they progress from coalitions of democratic parties to the rule of a single party featuring 'liquidation of feudalistic survivals and progress to socialism while bypassing capitalistic development.' During the latter stages the power is shared with a strongly articulated youth organization patterned after Komsomol. The Khorezmian, Bukharan, and Tuvan People's Republics were absorbed into the Soviet Union on application. Outer Mongolian and Yugoslav republics are independent.

People's Republics are based on local People's Committees, as in Tuva or Mongolia. Like the local Soviets in the U.S.S.R., they are administered by a periodic congress and an interim executive body.)

In conclusion, documents B and C specify the techniques to be employed in the propaganda campaign. These range from the creation

of shock brigades, emphasis on the lectures and discussions, including the use of posters, theaters, press and radio, bombardment of the Joint Commission by a 'continuous stream of decisions and petitions,' and utilizing leaders who 'know how to organize a group of those who get excited after listening to sensational speeches.' All three documents include, as additional propaganda objectives, opposition to certain ordinances of the Military Government, by passing resolutions which are to be reported to the Joint Commission. The ordinances objected to concern Party Registration, New Korea Company, closing of Private Schools, Disposal of Japanese Property, and the Restriction of Assembly Rights."

Respectfully yours,

WILLIAM R. LANGDON

740.00119 Control (Korea)/6-1146: Telegram

*Lieutenant General John R. Hodge to the Secretary of State*

SECRET

SEOUL, 11 June 1946.

[Received June 11—5:12 p. m.]

Tfgcg 409 [to Tokyo]. Unless State Dept has taken or is taking some action toward reconvening US-Soviet Joint Commission which would be out of consonance to action proposed herein, I propose to write to Gen Chistiakov, Comdr, 25 Red Army, along following line:

Invite attn to my letter of 9 May suggesting a personal interview which has not been answered, and invite him to return his delegation to resume negotiations toward consummation of the Moscow decision under principles of freedom of expression set forth in the Atlantic Charter.

In view of increasing restlessness of Korean people, will appreciate early reply to this proposal and to previous queries concerning what if any steps are contemplated on a higher level.<sup>21</sup>

[HODGE]

702.6195/6-1346: Telegram

*Lieutenant General John R. Hodge to the Secretary of State*

SECRET

SEOUL, 13 June 1946.

[Received June 13—5:42 p. m.(?)]

Tfgcg 410 [to Tokyo]. Mr. Polianski, Soviet Consul General, Seoul, reported officially today that he had received instruction from his

<sup>21</sup> In an undated telegram, received July 13, 4:15 a. m., General Hodge informed the Department that he had sent a new letter to General Chistiakov, as no replies had come to his letters of May 9 and June 14. He stated that the U.S. delegation would be ready to reconvene on 10 days' notice and reiterated his desire to continue the work of the Commission at an early date on conditions previously given. (740.00119 Control (Korea)/7-1346) For texts of correspondence between General Hodge and General Chistiakov, see Department of State publication 2933, *Korea's Independence* (1947), pp. 20 ff.

Government to withdraw in the near future the Soviet Consulate in Seoul. He had further been informed by his Foreign Office that he would leave Mr. Konstantin Grigorievich Bikoff, now in Seoul as a caretaker, and that two additional Russians would be sent to Seoul as caretakers whose names are as follows: Sergei Semenovitch Zudin, Nikolai Alexseevick Krivosheeff. He further stated that he was starting packing immediately and requested that four Soviet soldiers and one truck be authorized to come to Seoul to assist him in his departure. This request was granted. Although a definite time was not set, indications were that he expected to complete the move within the next week to ten days.<sup>22</sup> The total personnel to remain in the consulate grounds would be the three males mentioned above. Their families would not be here. In response to a query, Mr. Polianski stated that he had no intention of releasing this information to the press but he did not know what his government intended to do. No press release contemplated here at this time pending statement from our State Dept. Request that State Dept furnish me any information known by them of the two proposed caretakers coming from north of 38 degrees.

[HODGE]

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740.00119 Control (Korea)/6-1646: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

[Extracts]

SECRET

SEOUL, June 16, 1946.

PRIORITY

[Received June 19—5:36 p. m.]

68-A. "Summary of conditions in Korea May 16 through 31:

1. Internal situation:

Koreans continue restive and unhappy following adjournment of Soviet-American Commission. During period possibility of establishment of separate South Korea Govt was subject of widespread discussion, Left-Wing elements remained silent for most part. Rhee faction has denied rptd Communist charge that it advocates establishment of separate govt, although unofficially it is known that Rhee has favored some form of limited South Korea assembly which he believes might present Korea's case directly to United Nations, upon premise that Soviet-American Commission has completely broken down. Feeling persisted that conservatives would stand to gain by separate govt, as it might remove any future possibility of direct Soviet support. Indicating [*Indications?*] that Americans stood ready to resume talks

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<sup>22</sup> The departure of the Soviet consular staff from Seoul was reported by General Hodge in a telegram received July 3 via Tokyo. A guard was placed over the Consulate grounds for its protection. (702.6195/7-346) Despatch 36, July 10, from Seoul, received July 22, transmitted further information on this subject. (702.6195/7-1046)



with Soviets at any time tended to allay Left-Wing fears and suspicions in that direction. Right-Wing party leaders continued to tour provinces and appeared to be gaining significant influence, particularly in southern part of American zone. Sequel to discovery of counterfeiting ring in Seoul on May 3, which had been operating in building housing Chikahwa Press and Communist Party Headquarters, was closing of this press, which printed Left-Wing newspaper *Hai Bong Ilbo*, for implication in counterfeiting ring, and repossession of entire building on May 31 by Mil Govt. Leftist papers expressed great indignation over whole affair denying any connection between crime and Communist Party, but refraining from directly criticising Mil Govt. However, considerable damage to Communist Party prestige has resulted from the counterfeiting incident. . . . Ordinance 88, requiring all Korean newspapers and periodicals to obtain individual licenses from Mil Govt for publication after June 30, was made effective May 29. Considerable criticism appeared in press, particularly Leftist, in which allegation was made that the freedom of press was being seriously interfered [apparent omission] Koreans, the writer of offending article in Rightist *Dai Dong Ilbo* which caused its suspension, and the publisher of newspaper were both given jail sentences and fines by military court. There was no significant disorder during period.

## 2. Economic conditions:

## 3. External relations:

Work of Soviet-American party [surveying?] 38 parallel was successfully completed by May 18. Heavy flow of Japanese refugees across boundary into Southern Zone has continued despite further protests of CG USAFIK to Soviet Commander; daily average in excess of 1,000 has been noted throughout May. Negotiations were also continued for delivery of fertilizer from North, but without definite results. Large inspired demonstrations on May 19 in ostensible protest against adjournment of commission and American stand were repeated from Pyongyang and other North Korean centers. General Soviet propaganda line followed appears to have been expressed in *Izvestia* article of May 16, which placed blame on US delegation for non-adherence to Moscow decision. Some evidence exists that Soviets are engaging in intensified campaign to elect Kim Il Sawng, President of proposed [so-called?] independent Government of North Korea. All indications point to ever-tightening Communist control over lives, property, and thoughts of North Korean populace through an elaborate expansion of Korean police and political agents, as well as peoples committees. North Korean police motor boat was intercepted by US troops near shore on east coast well south

of 38 degrees on May 17. Korean crew was released following questioning. Soviet Commander lodged strong protest to which CG USAFIK replied, giving our version of incident. Further boundary violations took place May 23 when US submitted complaint claiming village was in their zone. Matter now under investigation.[""]

[LANGDON]

740.00119 PW/7-846

*Ambassador Edwin W. Pauley to President Truman* <sup>23</sup>

TOKYO, June 22, 1946.

DEAR MR. PRESIDENT: Following are some observations, conclusions, and recommendations on the Korean situation based upon a firsthand inspection by myself and my staff in Korea. I have also given consideration to interviews with people in our Occupation Forces in Korea as well as Koreans and members of the Soviet Occupation Forces in Northern Korea.

Frankly, I am greatly concerned with our position in Korea and believe it is not receiving the attention and consideration it should. While Korea is a small country, and in terms of our total military strength is a small responsibility, it is an ideological battleground upon which our entire success in Asia may depend. It is here where a test will be made of whether a democratic competitive system can be adapted to meet the challenge of defeated feudalism, or whether some other system i.e., Communism will become stronger.

It is clear from the actions of the Soviets that they have no immediate intention of withdrawing from Korea for the following reasons:

1. They apparently are stalling on taking any joint action with the United States toward setting up a Trusteeship, toward forming anything resembling a provisional government, or doing anything that might in any way hamper their entrenching themselves more firmly in Northern Korea.

2. They are propagandizing and promoting a Communist Party and a Soviet type of program which would establish loyalty to Moscow as the highest form of loyalty to Korea. To this end they are riding rough-shod over all political factions which might oppose or even question such a philosophy. For example, the streets of Northern

<sup>23</sup> Mr. Pauley, President Truman's personal representative on reparations, was on a special mission to the Far East; for announcement of his visit, see Department of State *Bulletin*, May 12, 1946, p. 821. For other documentation, see *ante*, pp. 471-604 *passim*. Copy of this letter was sent to the Department on July 3 by the White House for preparation of a reply; for President Truman's reply, as sent July 16, see p. 713.

Korea are decorated with Soviet propaganda posters. Most of these posters publicize the Soviet Government, and include large pictures of Stalin and Lenin.

Many of the posters read as follows:

"Long live the friendship of the Soviet Union and Korea"

"The Soviet Government is the highest form of Democracy"

"We will raise the honor of the Red Army still higher"

"For the Fatherland, for the party, for Stalin"

"Long live Stalin, the creator of our victories"

"In a strange land a fighter must be more observant and on guard"

"The first teacher of a Red Army soldier is his Sergeant"

From the above, it is clear that the Soviet Government does not intend to allow the United States exclusive use of the word "democracy". "Democracy" means one thing to the Soviets, and quite another to the United States. To us it means, among other things, freedom of speech, assembly, and press. The Soviet interpretation of "democracy" is expressed in terms of the welfare of the masses.

In considering the effect of Soviet propaganda on the Koreans, it must be remembered that about 70% of the present 27,000,000 people in Korea are small farmers and fishermen. Only a few have ever voted or even have the right to vote. They have little knowledge of national or international economic affairs, and are easily swayed by golden tongues and promises.

3. Communism in Korea could get off to a better start than practically anywhere else in the world. The Japanese owned the railroads, all of the public utilities including power and light, as well as all of the major industries and natural resources. Therefore, if these are suddenly found to be owned by "The People's Committee" (The Communist Party), they will have acquired them without any struggle of any kind or any work in developing them. This is one of the reasons why the United States should not waive its title or claim to Japanese external assets located in Korea until a democratic (capitalistic) form of government is assured.

4. The Soviets are taking no substantial amount of capital equipment from Korea, although they may be taking certain stocks and products of current production.

5. They are devoting considerable effort to rejuvenate economic activity in Northern Korea probably directed toward replacing the broken economic ties to Japan with new economic ties to the U.S.S.R.

The Soviet Army is obviously ensconcing itself for a long stay. Officers' families are already with them. The Army is virtually operating the railroads. Statements by high ranking Officers show no indication of any plan of leaving or even a hope of leaving.



The possible Soviet objectives in Korea are as follows:

1. To provide Korea as a 'puppet state' which would make possible a defense in depth in the event that the Soviet Union were attacked from the Southeast. I would anticipate the present Soviet thinking would be to deal with Korea as they did with Poland and Yugoslavia, namely, with a 'puppet' government they will make a Sovietized trade treaty which will only exploit the Koreans.

2. To provide an encirclement, or one jaw of a pincer against North China and Manchuria (the industrial heart of a strong new China). The other jaw of the pincer would be Outer Mongolia (newly Sovietized) and Siberia.

3. To provide a similar encirclement or jaw of a pincer against Japan in the event that Japan were built up by some foreign power to use as a base against the U.S.S.R. The other jaw of the pincer would be the Vladivostok peninsula, Karafuto, and the Kurile Islands.

4. To secure favorable port concessions in the warm water ports of Ch'ongjin (Seishin) and Hungnam (Konan) and Wonsan; similar to the concessions in the ports of Port Arthur and Dairen.

Note: If civil war continues in Manchuria, the U.S.S.R. might occupy Manchuria on the theory that they must protect their interest in the railroads and be able to communicate between Siberia, Port Arthur, and Dairen.

*Recommendations:*

1. The Soviet Union should be compelled to comply with the Moscow Declaration on Korea. Specifically she should be called to task for failure to participate in the formation of a representative provisional government, and for maintaining the split at the 38th Parallel.

Acting may be secured in several ways including:

a. Raising the issue with the United Nations or the Big Four.

b. By the United States taking action to withhold concessions which otherwise might be made to the U.S.S.R.

c. By aggressively pursuing a campaign of propaganda in favor of a United Korea which would make the Soviet obstructionism obvious to the Koreans and to the world.

2. The United States should carry on a propaganda and educational campaign within Korea in order to sell democracy and the four freedoms. It should teach the responsibilities as well as the advantages of democracy.

In the absence of such a campaign, the Koreans will hear pretty largely only of Communism which the Soviets preach as the highest form of democracy. Sending American teachers to Korea and Korean students to the United States would aid such a campaign and should

be encouraged from a long range viewpoint. However, no immediate benefits can accrue in time to meet the present crisis.

3. Korea should receive certain needed industrial equipment from Japan as part of reparations removals. Her industrial economy presently is developed for the production of raw and semi-finished materials which were required by Japan. She now requires equipment such as machine tools in order to devote the products of her present industry to the needs of her internal economy. This can be provided in one or more ways including:

*a.* Substantiating a claim for damage and cost of Japanese occupation and aggression.

*b.* The United States subordinating a portion of its (and possibly other countries also) claim to Korea with or without receiving compensation from the Koreans in the form of future deliveries of raw materials. Since this may have to take the form of disposing of United States property, an act of Congress similar to the Tydings Act <sup>24</sup> on the Philippines may be required.

*c.* A more practical manner of bringing this about would be for the United States Representative at the Japanese Reparations Meetings to pick the psychological time to reduce its demands sufficiently to give Korea what it needs. (Note: The United States would not actually be giving up anything it expects to get or even wants).

4. The United States should give greater technical assistance to Korea in the reconstruction of her industrial economy. This can be done by:

*a.* Sending engineers to Korea to aid in starting operations and training Korean supervisory personnel.

*b.* Encouraging Korea to invite participation of American capital which would bring with it managerial knowhow.

*c.* Encourage training of Korean engineers in American industries and engineering schools, and send American teachers to Korean engineering schools.

You will note that the observations, recommendations, and conclusions contained herein depart from strictly reparations or even economic aspects of the Korean situation. However, the economy of which the reparations question is an integral part is so interwoven with the political and international phases that I took the liberty of extending my remarks into these fields. I do not do so with any intent of usurping anyone else's prerogatives.

I am addressing an identical original of this letter to the Honorable James F. Byrnes, The Secretary of State.

Respectfully,

EDWIN W. PAULEY

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<sup>24</sup> Philippine Independence Act, approved March 24, 1934; 48 Stat. 456.

740.00119 Control (Korea)/7-346 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, 3 July 1946.

[Received July 4—4:04 p. m.]

Tfure 54 [to Tokyo]. [From Langdon and Thayer.] Third underlying covers developments since our Tfure 53.

Negotiations between right and left have been proceeding slowly but with steady progress and have now reached a stage of formal exchanges of proposals for the formation of a coalition.

Up to the present only the moderate leaders of each wing have participated although Syngman Rhee and Kim Koo have kept informed of developments. It had originally been intended to keep both Rhee and Kim Koo out of the coalition and they had more or less acquiesced. However, extreme-rightist opposition to the negotiations developed during the past week to a point where it may be best to allow Kim Koo a minor position in the coalition, thus conciliating his followers and preventing their uniting with other extremists in opposition.

It is believed that once the coalition is in operation it will be relatively simple to remove him if that becomes necessary because of Russian pressure. Despite this move a crisis developed over the weekend when, under pressure from the extreme right, Dr. Rhee announced the formation of a general headquarters for national unity with himself as leader and Kim Koo as number two man. Kim Koo when offered the Vice Presidency had refused. Prior to publicizing this move, Rhee had informed the American command of his intention and efforts were made to prevent him from trying in this manner to recapture control of and credit for the unification movement. These attempts were unsuccessful and he announced his new organization on Saturday. Although the negotiations on both right and left were seriously disturbed by this development, unfavorable press reaction to Rhee's move and a public statement by General Hodge commending Dr. Kimm and Lyuh Woon Hyung in their unification efforts put an end to the crisis and greatly reassured the negotiators. Apparently realizing the futility of further efforts to recapture the initiative, Dr. Rhee thereupon made a public announcement likewise commending Dr. Kimm and Lyuh.

USE [*Members?*] Representative Democratic Council met yesterday and today it is expected that they will vote full support to Dr. Kimm in his efforts. Meanwhile on the left unconfirmed but reliable reports indicate that the Communist Party is torn by dissension, the more moderate elements apparently supporting Lyuh and the extremists or Moscow controlled elements opposing any unification. It is also reported that Pak Hun Yung, Communist Party chairman,



has not been attending meetings of the people's front to discuss the unification.

While very little news of the actual terms of negotiations has leaked to the press, the subject of unification is receiving considerable attention in the papers which in general are favorable. Except for the two extremes, all political elements appear to support some form of coalition.

With the state [*stage?*] thus set, we have published the contents of a letter from General Lerch to General Hodge suggesting the establishment of a legislative body which this morning received favorable treatment in the press except for the Communists.

To forestall criticism that the legislative body would constitute a separate govt and would indefinitely postpone the reconvening of the joint commission, General Arnold today informed the press that two letters had already been sent to the Soviet command suggesting reconvening the commission but that no answers had been received. It is planned that General Hodge will see the principal [*sic*] relative to the formation of a coalition in the form of a legislative body. He will suggest that the negotiators themselves agree on a slate representing the major political parties to be supplemented through elections of provision [*sic*] representatives. If they are unable to agree on such a slate, General Hodge will in the next week propose one for the consideration of the negotiators.

While it is impossible to predict with any accuracy any actions and reactions of Korean politicians, it is believed that the movement toward unification by the Koreans themselves has gathered such momentum that it will be difficult if not impossible for any larger parties except perhaps the Communists to resist it. In the meantime we are prodding the movement along and lending such assistance as we can to overcome the periodic crisis which are the inevitable [con]comitants of Korea's political immaturity.

[LANGDON and THAYER]

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740.00119 Control (Korea)/6-2846 : Telegram

*The Acting Secretary of State to the Ambassador in the Soviet Union*  
(Smith)

SECRET

WASHINGTON, July 13, 1946—4 p. m.

1275. Views urtel 2031 <sup>25</sup> appreciated. For your info interim directive on Korea now under consideration by SWNCC. Interim directive contains in substance following:

In accordance with Moscow Agreement, US envisages following steps in Korean political development: (1) present period of zonal ad-

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<sup>25</sup> June 28, not printed.

ministration by US and USSR; (2) establishment of Provisional Korean Govt to assist US-Soviet Joint Commission in preparing Korea for self-government; (3) creation some form trusteeship for Korea under US, UK, China and USSR for period of up to 5 years, unless there is general agreement among four powers that conditions make this unnecessary; (4) complete independence Korea at earliest possible date, with subsequent membership in United Nations.

Basic objectives of US with regard Korea as a whole are: (1) establish independent and sovereign Korea, free from all foreign domination and eligible membership in United Nations; (2) insure national Govt so established shall be democratic Govt fully representative freely expressed will Korean People; (3) assist Koreans in establishing sound economy and adequate educational system necessary for independent, democratic state.

US occupation of southern Korea is for purpose facilitating attainment basic US objectives for all Korea and shall continue as long as it contributes to this end.

To prepare Koreans for self-government, US proposes utilize qualified Koreans in as many posts responsibility possible and use popular electoral processes for selection Koreans to occupy key posts in local and provincial administration of US zone and establish through broad electoral processes advisory legislative body to formulate and present to Commanding General draft laws to be used as basis for political, economic and social reforms in southern zone pending establishment of Provisional Korean Govt.

When negotiations of Joint Commission are resumed, it is proposed US representatives suggest nation-wide elections be held in order select representative democratic Korean leaders or key members of a nation-wide Provisional Korean Govt.

Basic cultural objectives US are (1) assist Koreans in freeing their cultural institutions, particularly education, from Japanese nationalistic influence, and in revitalizing educational system; (2) assist Koreans in preparing for participation in international cultural organizations.

Basic economic objectives of US are (a) establish strong independent Korean economy free from domination by Japan or any foreign power as necessary foundation for political independence; (b) assist Koreans in developing economy which will provide them with as high standard living and as great economic security as their resources and technological development will permit; (c) assist Koreans in initiating broad program of domestic economic reforms to encourage stable democratic institutions.

US proposes to accomplish these objectives insofar as possible by encouraging: (a) maximum local production and equitable distribution of needed goods; (b) Korean participation in world trade particularly with view to stimulating exports and procuring essential imports; (c) additional essential imports financed by US only to extent such imports cannot be financed by Korean resources; (d) in US zone encouraging Korean initiative and participation in economic activities.

ACHESON

740.00119 PW/7-346

*President Truman to Ambassador Edwin W. Pauley, at Paris* <sup>26</sup>

SECRET

WASHINGTON, July 16, 1946.

MY DEAR MR. PAULEY: I have given further consideration to your informative letter of June 22, 1946, on the Korean situation. I agree with you that Korea is, as you so aptly phrase it, "an ideological battleground upon which our entire success in Asia may depend". Korea has been for many decades the focus of international rivalries and I consider one of the principal objectives of our policy there to be to prevent Korea from again becoming the source of future conflict.

Your recommendations, it seems to me, fall into two general categories—those calling for efforts on our part to persuade the Soviet Union to comply with the Moscow Agreement and those calling for action within Korea. While I agree that we should continue our efforts to persuade the Soviet Union to comply with the spirit and terms of the Moscow Agreement of last December, I believe that the most effective way to meet the situation in Korea is to intensify and persevere in our present efforts to build up a self-governing and democratic Korea, neither subservient to nor menacing any power.

You will be glad to learn that we are incorporating into our revised policy for Korea most of your recommendations for specific action there. We intend to carry on an informational and educational campaign to sell to the Koreans our form of democracy and for this purpose to send American teachers to Korea and Korean students and teachers to this country. I also hope that a considerable number of Korean engineers can be trained here and that American engineers can go to Korea to assist in the rebuilding of its industries.

In reference to your recommendations regarding the use of Japanese reparations for the industrial revival of Korea, your suggestion

<sup>26</sup> This letter was based on a draft prepared in the Department in line with a memorandum on July 6 by John Carter Vincent, Director of the Office of Far Eastern Affairs, addressed to the Under Secretary of State (Acheson).



that the United States assign some of its share of Japanese industrial equipment to Korea appeals to me more than your suggestion that we attempt to obtain an agreement, against probable opposition by some of the Allied Powers, to the principle that Korea has a right to share in Japanese reparations. In reference to your suggestion of participation of private American capital in Korea, I question the advisability of such action prior to the establishment of a Korean Government, except on a restricted and carefully controlled basis.

Some of the other points in our present policy which will interest you are:

(1) Broadening the basis for Korean participation in the administration of south Korea by holding elections for key local and provincial posts and by creating a legislative assembly, in part elective, to replace the present Representative Democratic Council. Obviously, we cannot set up a separate government for south Korea, but the creation of a more representative consultative body may make it easier for us to negotiate in the future with the Soviets for the establishment of a Korean Provisional Government.

(2) Assisting the Koreans in establishing a free and revitalized educational system.

(3) Assisting the Koreans in establishing a strong independent economy which will provide as high a standard of living and as great economic security as their resources and technological development would permit.

(4) Assisting the Koreans in initiating a broad program of economic reform.

The furtherance of our policy of winning Korean support for our concept of democracy and for our program of action within Korea can be effective in facilitating agreement with the Soviets. By making possible the formulation and execution of liberal reforms such as land redistribution and the nationalization of certain industries, which are desired by a majority of Koreans, this policy should also help to broaden the basis for an understanding with the Russians.

Our commitments for the establishment of an independent Korea require that we stay in Korea long enough to see the job through and that we have adequate personnel and sufficient funds to do a good job. I am, therefore, requesting the agencies concerned to see that means are found to insure that General Hodge has the men and funds he needs to attain our objectives.

Sincerely yours,

[HARRY S. TRUMAN]

740.00119 Control (Korea)/7-1646

*Memorandum of Conversation Held in the Division of Japanese Affairs*<sup>27</sup>

[WASHINGTON,] July 16, 1946.

Mr. Charles Thayer, U.S. member of the U.S.-U.S.S.R. Joint Commission, called at Mr. Borton's<sup>28</sup> office at 3:15 P. M., July 16, to discuss problems arising from the U.S. occupation of south Korea with those interested.

Mr. Thayer described the attempts of AMG to deal with Korean politicians and to unify the various Korean political parties. In supporting a coalition movement, AMG hoped to eliminate the two extremes—the Rhee rightists, and the Soviet-inspired Communists. Mr. Thayer thought that the attempt to bring the non-Communist leftists under Lyuh, head of the People's Party into the coalition, would prove successful. On the other hand, in order to have rightist support for the coalition, Kim Koo was persuaded to come out for Kim Kiusic who is considered a possible center leader. In the legislative body that is to be set up shortly, Mr. Thayer believed that the number of appointed members would equal the number elected. In the appointment of Koreans to this body, he quoted General Hodge as desiring "a strong left".

Mr. Thayer indicated that elections would be based on the traditional Korean 20-family unit from which representatives would be selected to a community governing body. Only at an electoral level twice removed from the original unit would the secret ballot be used. Such procedure stems from the fact that the Koreans are politically uneducated—that they have no conception of the meaning of majority rule or the secret ballot. In addition, in attempting to explain these ideas to the Koreans, AMG is handicapped by the complete lack of films and other educational media. However, Mr. Thayer did not think that voting should be restricted to literates, as such limitation would disenfranchise the great majority of the people, particularly the agricultural classes.

Mr. Thayer stated that he believed that the return of Syngman Rhee to Korea in the early days of the occupation had contributed significantly to the establishment of some degree of unity among the several

<sup>27</sup> Prepared by Alice L. Dunning of the Division of Japanese Affairs. Participating in the meeting to hear Charles W. Thayer, U.S. member of the U.S.-U.S.S.R. Joint Commission in Korea, were E. O. Reischauer, of the office of the Assistant Secretary of State for Occupied Areas (Hilldring); J. K. Emmerson and J. Z. Williams, of the Division of Japanese Affairs; Gordon Bowles, of the Japanese-Korean Branch, Area Division V (Occupied Areas), Office of International Information and Cultural Affairs; Ben Moore, of the Division of Japanese and Korean Economic Affairs; Paul Parker, of the Division of Monetary Research, Treasury Department; and Daniel Fahey, of the War Department.

<sup>28</sup> Hugh Borton, Acting Chief, Division of Japanese Affairs.

hundred Korean political parties, although he admitted he was unable to estimate how much of Rhee's prestige among Koreans was due to the support rendered him by the Military Government and how much was due to his reputation as a patriotic exile. However, he believed that at the present time Rhee had outlived his period of usefulness and should be gently eased out of the Korean political picture. In substantiating this position, he described Rhee's belated attempt to prove himself responsible for unifying the right and left.

In answer to Mr. Bowles' inquiry as to Korea qualifying to participate in the United Nations or international organizations which did not require that participating members be members of the United Nations, Mr. Thayer suggested that the appointment of Koreans as observers or participants in international conference should be made at the discretion of the Commanding General.

Mr. Thayer stated that the problem of the possible disposition of AMG's interests in the printing presses of Korea was now under consideration. He believed that AMG should dispose of its share to those Koreans now in control of the presses, as this would eliminate the problem of appointing and investigating custodian managers and would encourage Koreans owners to make further investment. Supporting his position, Mr. Thayer stated that the printing presses are now distributed in a favorable proportion among the Korean political parties and could be considered as small Japanese businesses over which AMG has the power of disposal.

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611.9531/7-1746 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

RESTRICTED

SEOUL, July 17, 1946.

[Received July 24—12:30 p. m.]

77. United Press under Washington date line July 10 quoted John W. Stagg, President of recently incorporated American World Trade Export-Import Company, as saying following:

South Korea will be opened to commercial trade within next 30 to 60 days.

His company has several hundred exclusive contracts with major US manufacturers for supplying their products to Korea. Also has 70 or 80 such contracts for Philippines and is presently filling \$4,000,000 worth of orders from Chinese Government (nature of which he declined to reveal). A Korean, Chang Keeb Young, will leave shortly for Korea to represent company there. Company will export many Korean products to United States and other countries; for example, all Korean stocks of cultured pearls as well as Korean fish, minerals and rice.



Other company officers are Jay Jerome Williams, Vice President; L. E. Engels, Secretary Treasurer; Lowell J. Bradford, Robert M. Woods, H. W. Lady, Dr. James E. Shinn, Colonel Ben Limb, Directors. Shinn said to be American Field Representative of Korean American Council and Limb, Washington Representative of Syngman Rhee. End UP story which is receiving wide attention in local press.

In view of Staggers', Williams', Shinn's and Limb's former connections with Rhee and of possible association in minds of Korean people of this report with earlier stories of American promotive schemes revolving around Rhee, which aroused real anxiety among Koreans of all classes and gave pro-Soviet elements material for sowing mistrust of our aims in Korea, General Hodge on July 15 made following public statement: <sup>29</sup>

"The Korean people have been concerned, as I have been, with reports from the United States during the past few days regarding the alleged establishment of American companies to engage in import-export trade with Korea within the next 30 to 60 days. These reports and rumors have been disseminated by various American press services, based on statements by private individuals or corporations.

"I assure the people of Korea that USAFIK has had no previous or official information regarding this alleged anticipated trade with Korea. Specifically, the American World Traders Export-Import Company, recently in the news, has not applied for nor has it received any license for trade with Korea. Furthermore, no request has been received by this Headquarters for representatives of this company to proceed to Korea.

"I assure the Korean people that I will be consulted before any import-export trade arrangements are concluded for South Korea. I also assure the Korean people that I will not permit any exploiting of South Korea by large firms or monopolies. Any import-export arrangements that are set up for South Korea prior to the establishment of the Korean Provisional Government under the Moscow decision will be made through the Department of Commerce and the Economic Board of Military Government and will be for 1 purpose only; namely, to benefit Korea, Koreans and Korean economy."

LANGDON

702.0095/7-1946

*Draft Message From the Joint Chiefs of Staff to General of the Army Douglas MacArthur for Lieutenant General John R. Hodge* <sup>30</sup>

SECRET

Reference, C 61483 and 61673.<sup>31</sup>

1. The State, War and Navy Departments have decided that in

<sup>29</sup> In telegram 99, July 19, 7 p. m., to Seoul, the Department expressed its entire agreement with General Hodge's statement (611.9531/7-1746).

<sup>30</sup> This is a copy of appendix "C" to SWNCC 318, entitled "Consular establishments in U.S. Zone of Korea", July 15, approved by SWNCC on July 19. It was transmitted with SWN-4579, July 19, to the Departments of State, War, and Navy. The Joint Chiefs of Staff were requested to transmit the appendix as a

Footnotes continued on following page.

appropriate instances foreign nations will be authorized to establish consulates in Korea. In accordance with International Law and U.S. practice, in occupied territories, the military commander has complete authority over all foreign consulates. Their functions and privileges can properly be limited by the Commanding General to those which assist him in the discharge of his responsibilities, and the size of their staffs is also subject to his control.

2. Unless you have objections from point of view of military security, in which case your comments requested, the State Department will invite the Chinese Government to send one consular officer and two assistants to Korea and will inform the British Government that they may change the status of their present liaison officer to that of a consular official. Names of individuals nominated will of course be referred to you before approval.

3. Requests for consular representation by other foreign powers will be considered individually on their merits and will be referred to you for comment prior to approval by the United States Government.

4. Early reply requested.

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740.00119 Control (Korea)/7-2546

*Memorandum by the State Department Member (Hilldring) of the State-War-Navy Coordinating Committee to the Secretary of the Committee (Moseley)*

SECRET

WASHINGTON, July 25, 1946.

Subject: Proposed Negotiations with the USSR over Korea on a Governmental Level.

There is attached as Annex "A" a copy of War Department telegram C-63158 of July 17, 1946 <sup>32</sup> in which General Hodge states that there is little chance of further local negotiations with the Russians on the Moscow decision and requests that the Korean problem be discussed on the governmental level.

The State Department position on General Hodge's suggestion is that it would be a serious mistake for the United States to initiate discussions of the Korean impasse on a governmental level at this time. Such a move would be interpreted by the Soviets as a clear

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Footnotes continued from previous page.  
message to General MacArthur, and the State Department was asked to implement the paper when deemed appropriate. Accordingly, SWNCC 318 was sent to Seoul with instruction 23, July 23, and notes were sent to the British, Chinese, and French Embassies on September 5.

<sup>31</sup> May 29 and June 4, neither printed.

<sup>32</sup> Not printed.

sign of our impatience and as an indication that, because of this impatience, the United States position in Korea is fundamentally weak.

It would appear that we have much more to gain by pursuing a vigorous implementation of the new policy for Korea now being prepared in directive form by SWNCC than by demonstrating to the Soviets our anxiety to dispose of the Korean problem quickly through an approach to them on a governmental level. In War Department message 90716 of June 7, 1946<sup>33</sup> the new political policies for Korea were dispatched to General MacArthur and General Hodge. The economic, financial, and cultural sections are now up for final consideration by the State, War and Navy Departments and should be available at an early date for transmission to the field.<sup>34</sup> It is impossible to estimate how long it will take for our new policies to produce appreciable results. But when our position in Korea has been strengthened by these new policies, there will for the first time be reason to hope that the Soviets will be ready to make concessions and may even desire to initiate negotiations for an agreement acceptable to the United States.

The President on July 16 in a letter to Ambassador Pauley outlined the policy embodied in the SWNCC paper on Korea now under consideration. The President stated that "our commitment for the establishment of an independent Korea requires that we stay in Korea long enough to see the job through and that we have adequate personnel and funds to do the job."

For these reasons, the State Department recommends that the draft message in Annex "B"<sup>35</sup> be sent to CINCAFPAC as a reply to the message in Annex "A" (War C-65318 [63158], July 17). It is requested that SWNCC consider this problem as a matter of priority and take early action on the proposed message.

J. H. HILDRING

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102.2/7-2646 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, 26 July 1946.

[Received July 26—5:45 p. m.]

Tfure 56 [to Tokyo]. Following is a report of developments since our Tfure 54 of 3 July.

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<sup>33</sup> See footnote 14, p. 692.

<sup>34</sup> SWNCC 176/22, July 26, "Proposed Negotiations with the USSR over Korea on a Governmental Level", transmitted with instruction 24, August 6, to Seoul for the Political Adviser (Langdon).

<sup>35</sup> Not printed.



Unity talks have progressed to the stage where both Right and Left have formally appointed five delegates each to meet and substantiate unity. Rightist are Dr. Kimm Kiu Sik, Won Sie Hoon,<sup>36</sup> An Chai Hong,<sup>37</sup> Choi Tong Oh and Kim Boon Chun; Leftist are Lyuh Woon Hyung, Hu Hun, Kim Wong Bong, Paik Nam Un and Lee Kang Kook. Choi is Chairman of pool of mainly Rightist parties known as Emergency National Congress. Won is Vice Chairman of Representative Democratic Council.

[LANGDON]

740.00119 Control (Korea)/7-2846: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

[Extracts]

SECRET

SEOUL, July 28, 1946.

[Received July 28—8:42 a. m.]

81. Summary of conditions in Korea July 1 through 15:

1. Political situation: In public announcement on July 9 General Hodge approved suggestion made to him in letter from Military Governor dated June 29 that an interim legislative assembly be established to give Koreans some direct participation in policies and administration of Korean affairs. Public reaction to suggestion generally was apathetic, such support as was given coming from certain Rightist groups who apparently saw in proposal at least a temporary opportunity to dominate political scene south of 38th parallel by probably preponderant representation in Assembly. By same token Leftists voiced opposition on stated ground that at present stage of political developments Assembly would be premature and could serve no useful purpose, since initial constructive step must be establishment of provisional government under Moscow agreement, representing all of Korea. Fear was expressed that Assembly, in effect, would be only a step-child of military government without attributes of independent action and might contribute towards indefinite delay in reconvention of Soviet-American Commission. Most political leaders either remained silent on plan or approached it with caution; by end of period no concrete steps had been taken by any political group to implement the plan.

3. External relations: . . .

Intensified military training of various Communist organizations in north by Soviet Army is reported with goal set at 500,000 armed

<sup>36</sup> Won Sai Hoon was regarded as the actual head of the Democratic Party in south Korea.

<sup>37</sup> An Chai Hong helped to found the Nationalist Party after leaving the People's Party because of its radicalism.

Koreans three years hence. These military groups would presumably form basis for continuation of Communist influence following ultimate withdrawal of foreign military forces from Korea and unification of country. Reports indicate that Soviet authorities are sending number of young Koreans to Russia for education and indoctrination in long range program to perpetuate local Communist influence. New farm tax law is stated to have been placed in effect in north Korea by which farmers will be taxed flat 25 percent of produce, but will not be subject to any other form of taxation. Small-scale clandestine barter trade between two occupation zones is believed increasing. Soviets in general appear to be re-orienting transportation and communications facilities in north Korea on basis more effective for establishment of separate north Korean economy, unrelated to that of south. Soviets are continuing negotiations with ComGen USAFIK for payment for electric power supplied to U S zone since August 15, 1945, at rate of 3 sen per kwh to be paid in goods. Total claimed to June 1 is about 11,400,000 yen.

LANGDON

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740.00119 PW/7-346

*Draft of Letter From President Truman to the Secretary of War  
(Patterson)* <sup>38</sup>

SECRET

MY DEAR MR. SECRETARY: There are enclosed copies of Ambassador Pauley's letter to me of June 22 and my reply of July 16 on the subject of Korea.

It is my understanding that at present your Department and other Departments of this Government are developing a program for Korea designed to implement the policies outlined in my reply to Ambassador Pauley.

This is to assure you of my particular interest in the problems confronting this Government in Korea. I am convinced that we may be required to stay in Korea a considerable length of time in order to fulfill our pledge to aid in the establishment of a free and independent government.

Adequate funds and experienced personnel are, of course, a prerequisite to the completion of our undertaking in Korea. I trust that your Department will take the necessary steps to make these essentials available. As this program calls for action beyond the "disease and unrest" formula generally applied in occupied areas, I recognize the

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<sup>38</sup> A shorter draft was prepared to be sent to the Secretary of the Navy (Forrestal). Both draft letters were submitted by the Acting Secretary of State with his memorandum of August 1 to President Truman (not printed) for his use in informing Messrs. Patterson and Forrestal of the Pauley correspondence.

fact that a request for additional funds may be involved. Should this be the case, the War Department can count upon my support.

I am sending a copy of this letter, together with copies of the enclosures, to the Secretary of the Navy with a request that he assist you where possible in the accomplishment of this program. The Secretary of State has received copies of the correspondence with Ambassador Pauley, and I have been assured of his Department's interest in cooperating with the War and Navy Departments on this matter.

Sincerely yours,

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740.00119 Control (Korea)/8-346 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, August 2, 1946.

PRIORITY

[Received August 3—5 : 25 a. m.]

Tfure 61 [60] [to Tokyo]. The following brings up to date developments since our Tfure 56 of July 22 [26]. The unity talks which were making such satisfactory progress entered a serious crisis last week. While this crisis is holding up and may even break up the unity movement, conflicts in Korean society [apparent garble] to a head and making us more aware of sinister aspects of our Korean problem. On the 22nd Pak Heun Yong returned from Pyongyang, immediately reasserted his authority over Communist elements in the People's Front and proceeded to take measures designed to wreck the unity opposition movement. He cautioned Lyuh Woon Hyung not to "play the American game", predicted the unity committee would be another fiasco, and claimed all rightist opposition in Korea would be eliminated in short order if leftists in the south stood firmly by leftists in the north. As Pak's attitude toward unity before going to Pyongyang was not unfriendly although non-committal, it is clear that his resolute and positive opposition to it after his return is the result of instructions received at Pyongyang. Lyuh professes he told Pak in reply that he was too far committed to Dr. Kim to slacken or discontinue his efforts to reach unity and that he would stay with the project until some conclusion was reached. Some deep fear or mortal enmity of Pak must have come to the surface in this encounter as Lyuh hinted to us it was essential to the success of the American program that Pak be dealt with drastically at this juncture, perhaps jailed by some juggling of the counterfeit trial due July 29. We asked why Hu [he?] himself did not expose Communist intention to sabotage unity. His answer was that large labor, farmer and youth elements in southern Korea divide their allegiance between him and Pak, that if an open break between him and Pak came now it would harm the unity movement. He suggested that if Pak could be made to lose face at this moment



Lyuh might be able to win a considerable portion of these elements over to his, and, therefore, our, side. Our view is that Lyuh either lacks moral courage or is too far secretly committed to Communists to have a show-down with Pak and is looking to us to extricate him from his position. We made it plain to Lyuh that we have no intention of abusing the counterfeit trial for political persecution and that he must fight his own battles, but that we would continue to give the unity movement and its leading spirits all support possible.

Regardless of Pak's threat, the 10-man unity committee held its first and second meetings on the 20th and 26th in a harmonious atmosphere, agreement being reached at the latter meeting that each side would present its terms for unity at the next meeting and not publish such terms in the meantime. Thereupon the 5-man presidium of the People's Front met to determine the Front's terms for unity and by a vote of 3 to 2, the two being Lyuh and Kim Wong Bong, passed five conditions for collaboration with the Right. These conditions, published on the 27th in violation of the agreement, are as follows:

*a.* Full acceptance of Moscow decision, joint action to hasten reconvening of joint commissions.

*b.* Land reform (including confiscation and distribution of land without compensation), nationalization of important industries, enactment of democratic labor laws, political freedom;

*c.* Elimination of pro-Japanese, pro-Fascists, and traitors of the people, suppression of terrorism and release of all political prisoners;

*d.* Transfer to People's committees of administration of southern Korea.

*e.* Opposition to establishment of legislative body in military government.

The unity committee's meeting scheduled for the 29th was postponed at Lyuh's request on the ground of illness. Actually the meeting is doubtless being postponed so that Lyuh may continue his efforts to modify the above terms, *b*, *d*, and *e*, which are complete surprise to the negotiators and irrelevant to the committee's terms of reference. In the meantime, Dr. Kim and his associates in the Right are behaving with extraordinary patience, dignity, and tact.

The present crisis confirms our knowledge that Communist leaders in our zone are not independent political figures, but subject to orders and influences in north Korea. It is also clear to us that, whatever may be the source of these orders or influences, it is unfriendly to our administration and working to confuse and frustrate it.

General Hodge intends to wait a reasonable time longer for the leftists to determine their attitude toward the unity movement and, in the light of developments in such interval, to shape his own course of action in relation to the legislative body.

Hodge concurs.

740.00119 Control (Korea)/8-846: Telegram

*The Acting Secretary of State to the Political Adviser in Korea  
(Langdon)*

RESTRICTED

WASHINGTON, August 9, 1946—7 p. m.

105. Unless CG, USAFIK, perceives objection following statement will be made by ActSec on August 13,<sup>39</sup> ref War Dept C 63773 Aug 4:

"Celebrations by Korean people on August 15 marking the anniversary of their liberation from Japanese domination will strike a responsive chord in the hearts of Americans.

The United States maintains a continuing interest in Korea and desires to see it attain a position of equality with other independent nations of the world. In December 1945 the United States joined the U.S.S.R., China, and the United Kingdom in an agreement providing for the achievement of this objective.

The people of the United States share the Korean people's disappointment that negotiations for the implementation of the Moscow Agreement have been temporarily suspended. Representatives of the United States stand ready to resume these negotiations at any time on a basis safeguarding the essentials of the new-found Korean liberty.

Meanwhile the United States Military Government is doing all in its power to enable the Korean people to participate in democracy at work by encouraging them to take an active and responsible part in the administration of southern Korea. In contributing in this way to the solution of practical problems of administration, Koreans will acquire experience which should prove useful when their country is again united in independence and self-government."

ACHESON

740.00119 Control (Korea)/8-2046: Telegram

*General of the Army Douglas MacArthur to the War Department*<sup>40</sup>

CONFIDENTIAL

Tokyo, 20 August 1946.

[Received August 21—9:55 p. m.]

C 64318. Reurad 97200, following msg received from CG USAFIK:

"This visit of WFTU group to South Korea at this time is deemed highly inopportune in view of the strained Korean political situation and the adverse effect that it may have on our mission here.

<sup>39</sup> In telegram Tfgcg 459, August 12, from Seoul, the Department was informed that the statement would be welcomed, as proposed, for the Korean celebration of August 15. In a memorandum of August 8 to the Under Secretary of State, General Hildring had submitted a draft statement after stating that it would appear "that General Hodge has given his blessing to an August 15 'liberation celebration' in Korea. FE has suggested that you may wish to make some comments for the press in anticipation of this celebration". (740.00119 Control (Korea)/8-1246, 8-846)

<sup>40</sup> Transmitted to the State Department for information.

The Council of All-Korean Labor Unions (Loaong Cho Hap Chawn Kook Pyawng Ooi Hway), joined the WFTU 128 [28th?] July '46, via channels of communication through Northern Korea and is a completely Communist organized, controlled and dominated [apparent omission]. Although [apparent omission] labor organization, its Communist leadership used the Chawn Pyawng (short title) as a political football. Reference is made to Tfgbi 347 dated 29th July '46 as one example.

The leadership of the Chawn Pyawng is top heavy with Communist party members.

At the 28th July celebration of joining with WFTU, the following were elected honorary chairmen of the Chawn Pyawng:

Pak, Heun Yung, South Korean Communist Party leader;  
Lee, Choo Ha, member of the Central Executive Committee of the Communist Party;

Lyuh, Woon Hyung, head of the Communist controlled People's Party;

Hu, Hun, one of the chairmen of the Democratic People's Front and definitely a Communist Party follower.

One of the Chairmen of the Chawn Pyawng, Pak, Sei [Heun?] Yung, publicly admitted the close affiliation between the Council of All-Korean Labor Unions (Chawn Pyawng) and the Communist Party in his opening address at the 28th July celebration. In his speech, Pak Sei Hung [*sic*] stated, 'Since 1924 the Communist Party has guided us, cooperated with us, and supported us in all our efforts and movements. It was with the help of the Communist Party that we could join the World Federation of Trade Unions this year.' [Hodge.]"

There is no doubt here that the Communist Party controls the Chawn Pyawng and uses it to bolster its political campaigning. The arrival of the WFTU mission to South Korea, with the quasi-official backing of the US in permitting and facilitating its movements, would boom the prestige of the Chawn Pyawng, and, in turn, strengthen the power of the Communist Party, whose political fortunes now appear to be at a low ebb. Any abetting of the Communists, who are obstructing American Military Government, will adversely affect our Mission in South Korea. Much verified info this subject has been obtained since Gen. Hodge was consulted by telephone as to clearance for the visit of the WFTU group. Under the circumstances, it seems highly undesirable to admit a WFTU group into South Korea at this time.

There is no objection to survey group visiting Japan.

MACARTHUR



740.00119 Control (Korea)/S-2346 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, 23 August 1946.

[Received August 26—1:41 p. m.]

Tfpol 23 [to Tokyo]. PolAd 86. Reference W 96485, August 6, question of approaching Soviets on governmental level regarding Korean negotiations.

1. It is noted that a new directive, based on political policy paper of June 6 by State Dept to OPD, is in process of approval by SWNCC<sup>41</sup> and that it is hoped that energetic implementation of this directive will be so effective as to cause the Soviets to take the first steps towards a resumption of negotiations. In the meantime it is noted that nothing is to be done on higher level to bring about such resumption because such approach would be interpreted by the Soviets as an indication of weakness of our position. In this connection it is thought the Dept should be aware of the implications of this course as they are apparent to me.

2. The hypothesis on which our proposed course of action rests seems to be that:

(a) Increased liberality and constructiveness in Military Govt will so range Korean public opinion in support of US policies as opposed to Soviet policies that the Soviets will be forced to modify their stand.

(b) We are having no competition from the Soviets for Korean popularity and good will.

3. The general feeling of the small articulate element of the population is that the basic job of the US in Korea has been done. Practically all overseas Koreans have been repatriated and all Japanese in South Korea deported, all Japanese properties have been taken in trust for future disposition, a police force has been created, the framework of the administrative and judicial systems has been put together again, communications have been restored, the school system has been rebuilt, the currency has been saved, stark famine and distress have been overcome, and the change-over from the Japanese regime has been smoothly accomplished. For all these sundry achievements the Koreans are grateful, but their whole thoughts are now on the next step, the establishment of their own National Provisional Govt and the union of their country which will be coincident with it. In the face of this general attitude, innovations by MG are positively opposed by the Leftists and only apathetically received by the Rightists, so that the law of diminishing returns has set in so far

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<sup>41</sup> See footnote 34, p. 719.

as our program is concerned. Already a note of querulousness is asserting itself with respect to almost anything we undertake outside of straight basic administration. In the past 2 weeks, for example, both sides have attacked or carped on the following matters:

- (a) The statement in CINCAFPAC's May report that there was a growing desire among Koreans for the continuance of MG.
- (b) Deficit financing and increasing note issuance.
- (c) The \$25,000,000.00 surplus equipment loan to MG because Koreans have not been consulted about it.
- (d) The rice collection program for 1946-47.
- (e) The reorganization of Seoul National (former Keijo Imperial) University because Korean higher education is none of our business.
- (f) The five-year plan to increase Korean silk output for export to the US and for acquisition of dollar exchange because the Korean people want the silk for themselves.
- (g) The breaking up of the former Oriental Development Co. for autonomous management of component enterprises because that is a job for the future National Government.
- (h) The creation of a legislative assembly because such a body should be national in scope and be set up after the establishment of the Provisional Government.

4. The above administrative matters represent the kind of American action that is criticized by both sides. In addition, there is the standing dissatisfaction, most of it Soviet-inspired but some of it spontaneous, with American policies of a strong minority in the community composed of organized labor, farmers' alliances and youth groups favoring Soviet policies in the North or inclined to Communism or susceptible to Communist propaganda. The abiding grudge of these elements is that the administration of people's committees they had established after the Japanese surrender was first not recognized and later outlawed as MG came from the "Conservative" elements that fared reasonably well under the Japanese. The Leftist elements feel that they have been cheated out of a social revolution, with MG merely perpetuating a traditional social order that had been maintained by the Japanese. The Dept seems to think that the support of the Left may be gained by giving it a vested interest in MG. From the moment we landed on Korea we have tried to give the Leftists an important share in the govt and in recent months our political effort has been concentrated on winning them over and interesting them in full participation and responsibility in MG. But they seem to be completely committed to non-cooperation. This non-cooperation was epitomized on the 15th by their virtual boycott of the Joint American-Korean surrender anniversary ceremonies. They held a mass celebration of their own in another part of town where they passed 16 political resolutions including at the top of the list opposition to prolongation, expansion or strengthening of MG.

5. Overlooked perhaps in the Dept's thinking in connection with benevolent measures for the Koreans in [is] Korean pride or stolid conceit in their own institutions and a strong sense of what constitutes their own natural jurisdiction in Korean affairs. MG under its directives is, or feels, under the necessity of effecting wide, fundamental, and long-range reforms immediately, whereas many Korean[s], like the Soviet Delegates on the Joint Commission, feel that such reforms, under the terms of the Moscow Decision, should be undertaken by the Provisional Govt with the aid of the Joint Commission and late[r] of the Trusteeship Agency. Thus raw enthusiasm on our part to assist and remake the Koreans at this time sometimes strikes a sour note among the Koreans.

6. In the Dept's thesis that a superior American program in Southern Korea will undermine our [*Communist?*] position in the south, this is a mistaken notion in my view. The Soviets now take pains to prevent abuses of the Korean people by their soldiery, the administration is outwardly 100% Korean, lands of Japanese and native landlords have been distributed free to tenant farmers and landless refugees, former Japanese factories are operated by committees or organized workers and officials instead of by industrialists under an operating mandate as in our zone, labor law has been passed, and the people are now very much left to their own devices. These reforms have fallen heavily on the unfortunate conservative and propertied classes, many of whom have taken refuge in our zone, and even the peasantry and poor townspeople have not gotten over the earlier excesses and exactions of the Soviet soldiery, but large elements of the population now like their new deal, including a new class of officials and committee men with central and local executive and administrative powers. The small but well organized Communist Party in South Korea, which has close connections with the Kremlin-controlled party in the north, energetically advertises the good life of the proletariat in the north and is having some success in breeding discontent with our administration among farmers, mill and mine laborers, student and certain intellectual groups.

7. The cleavages in Korean society, between north and south and between Right and Left, widen with the passage of time. In one locality in our zone mobs attacked the police in three or four instances on the occasion of the surrender anniversary. Not a note of joy or optimism featured Seoul editorial comment on that day, which ended "A year of excitement and confusion" (*Rightist Journal*) with Korea "enslaved politically and economically" (*Leftist Journal*) and with "Chaos in ideology, restlessness in everyday living, crimes increasing, and waste of time and energy spent in making duplicate official documents—one in Korean and one in English" (*Rightist Journal*).



"Should we celebrate this day with joy or with tears" asked the last journal. While due allowance should be made in these pessimistic expressions for the volatile and sometimes exaggerated nature of Korean emotions they nevertheless reflect the current low morale prevalent among literate elements in South Korea.

8. In the foregoing passages I have set down my views as to the problems we must face if we adopt a policy of drift in respect to Korea's international relations and of liberal reforms in respect to the administration of our zone. To recapitulate these problems: widening sectional and ideological cleavages in Korean society; diminishing popularity of the US among Koreans generally; apathy from the right; non-cooperation or opposition from the Left, to any non-essential administrative activity or any innovation in MG; entrenchment of Soviet influence and system in North Korea. In the face of these problems I am of the opinion that protracted delay in reconvening the Joint Commission is harmful to our objective of an independent Korea.

9. I appreciate it would be bad tactics to indicate impatience to the Soviets by governmental approach at this time, particularly as General Hodge, in his very reasonable letter of August 13 to General Chistiakov, has put the next move squarely up to the Soviets. On the other hand, there would seem to be very good reason for Great Britain and China, as interested parties to the Moscow Agreement, to be impatient with both the US and the Soviets in this question, and it is wondered whether we could not use for our purposes real or pretended impatience on their part. Specifically, I offer the suggestion that those two govts be discreetly inspired by US to make strong parallel representation now to the Soviet and US Govts, accompanied by appropriate publicity that they discharge without further delay the allied mandates to them of creating a provisional Korean Govt. On the pretext of such pressure, Washington might formally take up with Moscow the question of prompt reconvening of the Joint Commission.

[LANGDON]

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740.00119 Control (Korea)/8-2446: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, 24 August 1946.

[Received August 25—4:38 p.m.]

Tfurf 61 [to Tokyo]. The following brings up to date developments since our Tfurf 60, 2 August.

There have been no further meetings of the Unity Committee since Lyuh asked postponement of the July 29 meeting, as the People's Front delegates except Lyuh will not attend unless the Rightist Delegation accepts the Front's five conditions for unity peremptorily laid

down under Communist chairman Pak Heun Yung's dictation, as mentioned in the last report, in an obvious tactic to sabotage the negotiations. On its part, the Rightist delegation, continuing its patience and dignified composure, offered eight counter proposals for unity. The first two proposals more or less agreed with the Front's condition number 1 relating to united action with the North Korean Government to hasten reconvening of the Joint Commission and establishment of the provisional Government. The other proposals were as follows:

Trusteeship to be discussed with JC after establishment of PG.

Representative Congress to be called after establishment of PG.

A permanent government to be established 3 months after such congress convenes.

Freedoms of speech, assembly, association, press communication, and voting to be guaranteed.

Political, economic, and educational laws to be enacted by the above Congress.

A special court to be set up after establishment of PG to try pro-Japanese and traitors.

Although the Rightist Delegation is being patient the Representative Democratic Council has been restive and some of the members moving to call an end to the unity talks, so much so that General Hodge yesterday intervened indirectly to request continued forbearance and cooperation with Doctor Kim Kiu Sic's efforts.

Meanwhile the conflict in the Leftist camp between extremists and Kremlin puppets on the one side and moderates and Nationalist Communists on the other side has broken wide open, having been precipitated by Pak's attempt to consolidate into a single party with himself and another Communist in virtual control the party of the Left (People's, Communist and Yenan Independence) in blind mimicry of the recent merger in the north of the Communist and New Democratic parties into a "Labor Party"; the first rejection [*reaction?*] was the denunciation of Pak by six of his colleagues on the CP Central Executive Committee for action without consulting them, and their expulsion from the Party by Pak for indiscipline. Next on the 13 came Lyuh's resignation as People's Party and People's Front chairman and retirement to the country professedly because the Front's conditions for unity with the Right were passed over his objections and made such unity impossible. Actually Lyuh told us he favored a Leftist merger provided the Communist group purged itself of Pak and agreed to follow the merger's policies and rules. With Lyuh standing aside, the People's Party then held a plenary meeting to decide on the merger. After long and bitter debate a vote was held, 48 members voting for and 31, including the presiding officer, against the merger, with 50 abstaining. As a result the minority



and chairman walked out and now maintain that they are the People's Party and that the others are Communists who have simply voted themselves out of it.

The effect of this open split will probably be a smaller but cleansed People's Party following its own Nationalist lines and a larger and stronger but distinct and isolated Communist Party with perhaps a final divorce between the two and automatic dissolution of the People's Front. What will happen next with respect to the unity talks is anybody's guess. Our surmise is that the weakened People's Party will invite Lyuh back to its chairmanship and that Lyuh will try to reorganize and rebuild it so that it will be representative enough to speak for an important political element when and if unity talks are resumed with the Rightist Delegation. It may be significant that Lyuh met Dr. Kim privately yesterday after a long cessation of their meetings. It is learned at first hand that Lyuh undertook at this meeting to reorganize a moderate Leftist Delegation to carry on the negotiations.

We are engaged in a technical study of ways and means to hold elections for both local bodies and legislative assembly so that elections may be held at an opportune time. It is becoming evident that because of high illiteracy and lack of any political training elections of a national scope, as we understand them, are not feasible and that such elections will of necessity have to be conducted by electors elected in smaller constituencies. Hodge concurs.

[LANGDON]

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740.00119 Control (Korea)/8-2746: Telegram

*The Economic Adviser in Korea (Bunce) to the Secretary of State*

SECRET

SEOUL, August 26, 1946.

[Received August 27—8:49 a. m.]

Tfgeg 471 [to Tokyo]. PolAd 54. 1. Re Wash rad WX 94512, it is clear that no immediate move is to be made to solve US-Russian-Korean problems. Policy directives indicate that we are to outsit the Russians and sell American democracy. This is not easy because Russian Communism has a well organized and effective propaganda machine which promises free land to the landless, cheap rice to the worker, work for the unemployed, and attacks US policies as being imperialistic and reactionary. It is essential, therefore, that General Hodge be given the financial support to complement this new policy.

Industrial production is still low. The cut in the Korean civilian supply program, which was one means of showing we were truly concerned in their welfare, will have serious repercussions. The Koreans are mainly interested in a united independent national govt. All the



delay in attaining this end will create neither [*sic*] unrest and dissatisfaction. This can only be offset by their meeting our commitments and improving the economic conditions of the people or by more rigid military control.

2. Present political conditions are more hopeful. Lyuh Woon Hyung has split from the Communists and has agreed to join the coalition of Rightists and Leftists. The Communist Party in the south shows signs of a split with opposition to Pak Heun Yung growing. At the same time Communist propaganda against military government and the US is growing.

General Hodge is preparing a statement refuting the Communist attacks; military government is preparing constructive labor laws and has a good rice collection program which should enable us to ration more adequately all non-producers if we receive the requested supplementary food shipments from US. This program will enable us to reduce the cost of living for workers who now have to buy a large part of their food on the black market at fantastic prices. It is also hoped that tax receipts will be increased, govt expenditures revised, and a currency conversion will be undertaken as early as possible. Land reforms will be undertaken as soon as the South Korea Assembly meets to take over some of the responsibility of developing a program satisfactory to the Koreans.

In order that this program may be realized it is essential that we obtain the support of the farmers and really obtain control of the rice crop, that Communist propaganda telling the farmer to hold his grain be offset, that essential imports needed to increase industrial production be supplied, and our minimum food import requirements for September, October, and November be met.

3. To assist General Hodge in the attainment of these objectives it is requested that the following actions be taken.

A. That a high authority in the United States, preferably the President, issue the following, or amended, statement of US policy in Korea:

"Title: United States Policies in Korea.

1. The United States wishes to see a united, independent and democratic Korean Government established as early as possible; to attain this end she is willing to carry out the Moscow decision, and is ready to continue the work of the Joint Commission at any time.

2. The United States believes in the right of the Korean people to determine for themselves the kind of economy and democratic political organization they require. It is opposed to establishing any minority group in power.

3. The United States stands for freedom of speech, of assembly, and of press. Honest criticism is not considered a crime, but is welcomed and in many cases programs are modified as good suggestions

are received. All political parties have functioned freely in South Korea.

4. The United States has no imperialistic aims in Korea. Military govt was established to take over when Japanese rule collapsed; it is temporary in nature. The United States is specifically committed not to gain any economic advantages in Korea during the period of occupation, while it permits its citizens or the citizens of any other country to enter into contracts giving them economic advantages.

5. The policies of military govt may be summarized as follows:

*a.* To stimulate production in order to relieve the accumulated shortage of consumers goods.

*b.* To assure a fair collection and distribution of food and other essentials so that all people may have enough to eat and share equally in other goods.

*c.* The restoration of trade between Korea and other nations so that the country will become economically independent and not be dependent upon Japan for either imports or exports.

*d.* The development of democratic labor unions and improved labor conditions.

*e.* Land reforms which will reflect the wishes of the Koreans and their desire to replace widespread tenancy with full ownership of the land by the individual farmer.

*f.* A stable currency and price level that will achieve a fair balance between the farmer and the laborer.

*g.* The elimination of all profiteering.

*h.* The removal of all monopolistic controls in the hands of individuals and prevention of the concentration of wealth in the hands of a few rich men, particularly those who attained their wealth through collaboration with the Japanese.

*i.* To expand educational opportunities and cooperate in the development of national culture.

*j.* To establish an impartial judiciary and a Korean police force free from domination by any group or faction.

6. The delay in uniting the country has made it essential that the south should proceed with the solution of urgent social and economic problems along lines which embody the will of the Korean people. Therefore we desire to establish cooperation between all political parties and a Korean legislative body, to express Korean views and aspirations, and to provide Korean leadership."

This, or a similar statement, should be released to the morning papers Saturday morning August 31st in order to report [*support?*] General Hodge's reply to the Communist attacks which will be released here on Thursday August 29. Such a statement will help to split the nationalistic Leftists from those Communists dominated by the Soviet.

B. Food shipments for the next 3 months must be maintained at all costs.

C. The civilian supply program should be pushed as rapidly as possible.

D. Enabling legislation to obtain adequate funds should be prepared immediately because it will be impossible to achieve the ends established in the new directive without adequate financial aid.

E. Lt. Colonel Roberts<sup>42</sup> should be given all possible aid by Assistant Secretary Benton<sup>43</sup> and Mister Stone<sup>44</sup> in financing and recruiting staff for the public information program which he is bringing to Washington soon.

A reply to request A should be sent immediately in order that General Hodge may time his statement so that it precedes the Washington announcement, if one is made, by about 2 days. Hodge and Langdon concur.

[BUNCE]

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740.00119 Control (Korea)/8-3046: Telegram

*The Acting Secretary of State to the Political Adviser in Korea (Langdon)*

WASHINGTON, August 30, 1946.

116. ActSec Acheson's statement issued press conference Aug 30 follows:

[Here follows text of statement printed in Department of State *Bulletin*, September 8, 1946, page 462.]<sup>45</sup>

Before reading the prepared release, ActSec said that he wanted to emphasize two main points in it. One was that we are prepared at any time that the Soviet Government will do so to resume the discussions of the Commission, the purpose of which is to bring about a unified Korea. The second was that we intend to remain in Korea and carry out our duty there until we have achieved our purpose of bringing into being an independent nation. He added that this is an obligation we intend to perform.

ACHESON

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740.00119 Control (Korea)/9-446: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, undated.

PRIORITY

[Received September 4—1:53 p. m.]

Tfpol 30 [to Tokyo]. 103. Timing and text of Under Secretary's statement following immediately upon General Hodge's statement

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<sup>42</sup> Lt. Col. Rankin Roberts was Public Relations Officer at General Hodge's Headquarters.

<sup>43</sup> William Benton, Assistant Secretary of State for Public Affairs.

<sup>44</sup> William T. Stone, Director, Office of International Information and Cultural Affairs.

<sup>45</sup> See also Acting Secretary Acheson's answer to a question on Korea at his press conference on October 1, Department of State *Bulletin*, October 13, 1946, p. 670.



here <sup>46</sup> was eminently effective. All Korean papers from extreme Right to extreme Left and Korean news services carried full layout UP Washington coverage and enthusiastically received by Korean people. Such frank and definitive statement of policy at State Dept level believed to be of great assistance stabilizing and crystallizing future Korean political activities. High level emphasis to previous statements by Hodge most helpful. Further, statement gave army personnel here boost in appreciation of occupational tasks. Hodge grateful for assistance and hopes in future Dept will issue similar statements of high level policy as need develops.

[LANGDON]

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740.00119 Control (Korea)/5-1546

*The Acting Secretary of State to the Chinese Ambassador (Koo)*

The Acting Secretary of State presents his compliments to His Excellency the Chinese Ambassador and has the honor to refer to his predecessor's note of May 15, 1946, and to the Secretary of State's note to the Chinese Ambassador of May 31, 1946 <sup>47</sup> regarding the establishment of Chinese representation at Seoul, Korea.

The Acting Secretary of State is now able to inform the Chinese Ambassador that the American Embassy at Nanking is being instructed to invite the Chinese Foreign Office to designate a Chinese Consular Official and two assistants to establish a small Consular Office at Seoul to perform limited consular and liaison functions in the area of Korea presently under United States military jurisdiction.<sup>48</sup>

WASHINGTON, September 6, 1946.

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740.00119 Control (Korea)/9-1346 : Telegram

*The Acting Secretary of State to the Political Adviser in Korea  
(Langdon)*

SECRET

WASHINGTON, September 13, 1946—6 p.m.

122. Dept has given very careful consideration to the statements of fact, views and recommendations contained in Tfgbi 392,<sup>49</sup> Tfpol 23 PolAd 86,<sup>50</sup> Tfurc 61,<sup>51</sup> and Tfgec 471 PolAd 54.<sup>52</sup> We are fully

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<sup>46</sup> The text of General Hodge's statement was transmitted by telegram on August 31 from Seoul: received at 5:30 p. m.

<sup>47</sup> Neither printed.

<sup>48</sup> The note to the Chinese Government was telegraphed to Seoul in telegram 118, September 5, 1946. Notes also were sent to the British and French Governments, outlining limitations under which consular officers would function.

<sup>49</sup> Not found in Department files.

<sup>50</sup> August 23, p. 726.

<sup>51</sup> August 24, p. 729.

aware of the difficulties that face you and of the impediments that interfere with your following a line of action satisfactory to the Koreans or, for that matter, to you and us. However, we feel as we are sure you do, that the long-term objective of our policies is sound and that there should be no substantial deviation therefrom. We believe that a constant and patient application of the measures proposed in Wartel 90716, Jun 7,<sup>53</sup> will bring us nearer the achievement of our objective than any other presently feasible course of action.

We concur in the views expressed in numbered paragraph 1 of Tfgcg 471 and welcome the report in numbered paragraph 2 of concrete measures that are being taken. Bunce's recommendation (a) has been carried out, as you know. We are prepared to give all possible assistance in seeing that military government policies listed in the Acting Secretary's public statement materializes. Furthermore, we are taking practicable steps to see that the four other recommendations made by Bunce are acted upon.

Tfure 61 and Tfgbi 392 seem to contain an element of hope that the Korean political parties may in time work out some solution of their differences helpful to you in solving your problems, particularly with regard to holding elections and creating a legislative assembly. The inability of extremists to reach agreements should not, we feel, deter you from taking such measures as you deem appropriate and feasible to carry out your program.

Dept is anxious that Joint Commission reconvene as soon as possible. However, it does not consider the present or near future as opportune for approaching the Russians on a governmental level and therefore, while fully appreciating soundness of suggestion regarding British and Chinese approaches, feels that such a move should not be made until we are prepared "to go down the line" in getting Russian agreement to reconvention of the Commission.

The discussion in Tfpol of our present line of action is valuable to us and is considered very much to the point from the angle of Korean popular feeling. It is unfortunate that we cannot now pursue a course which would be more popular with the Koreans. However, we are convinced that progress along the lines of our present policy will in time build up popular support in spite of policies followed by the Russians in northern Korea. In Korea it may be expected that Russian policies will meet with more immediate popular favor than those pursued by us. We must therefore have confidence in the ultimate soundness and popularity of our own policies.

Granting the fact that Koreans feel that the "basic job of the US in Korea has been done", it seems to us that all evidence of the past year clearly indicates that the Koreans are not psychologically or

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<sup>53</sup> See footnote 14, p. 692.

technically now prepared to undertake self-government. Therefore, although further deliberations of the Joint Commission would be formally directed toward creation of a provisional government, the immediate and practicable achievement might be to break down the 38th latitude barrier and bring about joint Soviet-American administration because it seems to us that a provisional government would at best have to function for some time under the very close supervision and guidance of the Joint Commission. In this connection, while we can see that stressing the trusteeship objective of the Moscow Agreement should be avoided, we feel that no encouragement should be given the Koreans to think that abandonment of trusteeship is or may be feasible. Their own actions will be the best criteria in determining this matter.

We wish again to assure you of our support and confidence.

CLAYTON

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740.00119 Control (Korea)/9-1446 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

[Extract]

SECRET

SEOUL, September 14, 1946.

PRIORITY

[Received September 16—11:57 a. m.]

108. "Summary of conditions in Korea August 15 through 31".

The trial of the Communist counterfeiters was resumed on the 22nd, and as it was preceded the day before by sentences, ranging up to 5 years imprisonment, on 50 persons who had led the demonstration around the courthouse on 29 July, the pressure on the trial eased. Indicative perhaps of the tragic view taken by the Communists of the trial was the petition of Hu Hun, a national revolutionary figure, to defend the accused, just as he had defended the leaders of the "Mansie" uprising in 1919 against the Japanese. Military Government measures that came in for loudest Leftist criticism, notwithstanding appropriate official explanations of their urgency and usefulness, were:

1. The 25,000,000 dollar Foreign Liquidation Commission loan to military government (for future negotiations with the provisional government) and the question of Korean liability for relief supplies now totaling 35,000,000 dollars already sold or imported under the civilian supply program.

2. The establishment of Seoul National University through disestablishment and consolidation of 10 local colleges.

3. The erection of army housing in the grounds, but removed from any monuments, of the former main palace for royal ceremonies (this criticism was general). Our loan and civilian supply program fur-



nished the Left with a new line of attack on the United States, military government and Korean elements cooperating with US: economic enslavement and "colonialism".

The United Press story from Washington on the 23rd that new United States policy contemplated creating in south Korea, by wide reforms, such a contrast with north Korea that the Soviets would feel impelled to come to terms with US on the Korean question created much interest. Leftist journals said they could not follow our line of reasoning because it was unbelievable that the Russians would keep north Korea in a backward condition while Americans made marked progress in their zone. In this connection mention might be made of a report from Embassy Moscow on the 25th distinguished Koreans from north Korea had arrived in Moscow as State guests.

As though there were not excitement enough, political parties decided to observe the 29th as another day of patriotic demonstrations: Humiliation day or anniversary of the 1910 annexation agreement. Rightist organizations held an outdoor mass meeting in a tense atmosphere in which speeches, including one by Syngman Rhee, were made calling for early independence by the Koreans' own efforts. In the course of this meeting, which was otherwise orderly, some handbills were distributed with a manifest for immediate independence and a slate for an independent government drawn up by Syan Ik Hi, an extremist from the Chungking group (who was later arrested for interrogation). The Leftists held their meeting, a small affair, indoors and passed stereotyped resolutions.

To counteract the increasingly bold and hostile Leftist propaganda and activities, General Hodge on the 31st made public a detailed review of America's primary role in Korea's liberation and American assistance to Koreans, and a refutation of current Leftist detractions of the American effort. Followed the next day by the Under Secretary's clear-cut and firm statement of American policy toward Korea, and also by the arrival in Seoul of a Congressional party to look into the condition of United States Forces (interpreted as a political visit by the Korean public), General Hodge's release had a visible sobering effect on all political parties. The Leftist leaders acknowledged Korea's debt to America, but grieved that their "just" criticisms had been interpreted as vicious and stoutly denied ill will toward US and avowed a cooperative attitude but not blind obedience to military government.

Other events of interest were the return from the United States of the Korean educational mission and of Young Hill Kang the author and the publication by US of the exchange of letters between General Hodge and Chistiakov on the reconvening of the Joint Commission (see last report). After 24 years' absence, Kang stated he

found little material improvement in Korea but a spiritual degeneration (a finding I personally question). The educators were lavish with their thanks for their treatment in the United States but declared they found little interest in or knowledge of the Korean question in America. There were indications of deteriorating conditions in north Korea.

[LANGDON]

740.00119 Control (Korea)/9-1646: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SEOUL, September 14, 1946.

[Received September 16—2:48 a. m.]

Tfpol 38 [to Tokyo]. PolAd 11. As of interest to the Department in connection with the progressive implementation of United States policies with respect to the administration of Southern Korea, there is quoted below the full text of a self-explanatory message delivered by General Lerch, the Military Governor, to the American and Korean Co-Directors for the several Departments of Military Government concerning the transfer of primary Governmental functions to the Korean Directors and reduction to advisory status of their American counterparts.<sup>54</sup>

"In March of this year I brought to your attention by written memorandum my desire that as soon as practicable you turn over to the Korean members of your staffs the functions of your office. I specifically stated that at least 10 per cent of the American personnel be withdrawn each month. I directed that American personnel be replaced with Korean Affairs personnel. The Koreans have made remarkable progress in learning how to handle Korean affairs. Long ago I stated publicly both in Korea and in the U.S. that the Koreans were ready for self-government.

"The time has come when Korean Directors must take full charge of their respective Departments and the Americans must function only in advisory capacities. Of course, until the terms of the Moscow Agreement are carried out, the Commanding General of the American Forces in Korea, representing the President of the U.S., must remain supreme and Military Government will remain. But Military Government will henceforth be exercised as far as is practicable by the Koreans themselves. It is my desire, therefore, that the Korean Directors who are listening to me today, return to their offices and take charge of the front office in each Department.

<sup>54</sup> In telegram 128, September 23, 6 p. m., to Seoul, the Department expressed its appreciation of the importance of the step taken in implementation of Korean policy set forth in Seoul's telegram and added: "Reports of progress Koreans make in this test of their ability to manage own affairs will be welcomed in assessing validity present policy and future course to be followed." (740.00119-Control (Korea)/9-2346)

"I desire that so far as is practicable Americans be withdrawn from active participation in the Government and where convenient be assembled together in each Department where they will serve as advisors and not as operators.

[Here follows advice on the conduct of government business, relating to currency, police, agriculture, labor, civil service, commerce, public health, education, justice, national defense, and handling of food administration.]

"We shall continue to help you. We want you to do the job.

"Although the people of the provinces are not here to listen to these instructions, I am asking them, too, to give full effort to the carrying out of the new policy. Koreans and Americans must work together to develop a free, independent, and united Korea.

"By reason of the nature of their work the officers of the Material Control Corporation, the Property Custodian and Civilian Supply Program will continue to operate under the American Military Authorities, with Korean assistance."

[LANGDON]

740.00119 Control (Korea)/9-1346

*The Chief of the Division of Protocol (Woodward) to Mr. Ben C. Limb, Washington*

WASHINGTON, September 23, 1946.

DEAR SIR: Receipt is acknowledged of your letter dated September 13, 1946, together with its enclosures<sup>55</sup> pertaining to your appointment as an official of the *Representative Democratic Council of South Korea*.

Your courtesy in making these documents available to the Department is appreciated. Since it is understood, however, that the Council is acting as an advisory body only to the United States Army Command in Korea, and therefore local in character, there appears to be no basis upon which its recognition abroad can be established.

Very truly yours,

STANLEY WOODWARD

740.00119 Control (Korea)/9-1446: Telegram

*The Acting Secretary of State to the Political Adviser in Korea (Langdon)*

SECRET

WASHINGTON, September 24, 1946—6 p. m.

129. Report apparent complete rift in leftist front (urtel 108 Sept 14 latest received here) presumed to be background upon which press reports (UP and *NY Times*) appearing here are based. These stories indicate progress in unification movement favorable prelude to plan

<sup>55</sup> None printed.



for holding election selecting delegates to proposed legislative assembly.

Stories also indicate details of election plan to be made public soon but ambiguous as to whether elections are to be held within 2 months or assembly to be convened within that period. Your comments would be appreciated together with suggestions you or CG USAFIK may have as to manner in which Dept through releases here might usefully contribute in focusing attention on current developments.

CLAYTON

895.00/10-946

*Memorandum of Conversation With Major General A. V. Arnold*<sup>56</sup>

SECRET

[WASHINGTON,] October 9, 1946.

General Arnold, who left Korea Sept. 23, stated that he was at the disposal of interested officers of the Department to discuss conditions in Korea. His comments follow:

The present strikes and disturbances in south Korea are regarded as moves to counter U.S. efforts at political unification and a semblance of economic order. Evidence has been plentiful showing that the disturbances are well planned and organized by a small, but extremely active group of Koreans who receive their direction from north Korea. Should the obstructionist program continue for the next two months, the U.S. program will receive a serious set-back and the salient points of our present policy, particularly the formation of a legislative assembly, will not be achieved.

In north Korea, the Soviets appears to be having little difficulty in maintaining control through a Government composed of Peoples Committees. Behind the scenes, the able hand of Balasanov (Soviet member, Joint US-USSR Commission) is clearly evident. There is some indication that the Soviets are preparing to "fatten up" Koreans in their area by importing food.

The need for imports of rice into south Korea was stressed. Bad weather at a critical time reduced local production, and the grain collection program is not expected to fill requirements. Corn or wheat are not effective substitutes for rice in the Korean diet. Soft coal is another badly needed commodity in order to keep trains running and to operate factories.

<sup>56</sup> Drafted by John Z. Williams, of the Division of Japanese Affairs, and initialed by the Acting Chief of the Division (Borton). Other participants in the conversation were the Assistant Secretary of State for Occupied Areas (Hill-dring), Harlow J. Heneman and Hiram M. Stout of his office staff, the Director of the Office of Far Eastern Affairs (Vincent), and the Chief of the Division of Japanese and Korean Economic Affairs (Martin).

Reference was made to the President's letter to Ambassador Pauley,<sup>57</sup> and General Hilldring said that the War Department should expend allocated funds now, if that is necessary, to provide urgently needed supplies. Future operations could then be financed by deficiency appropriations. These should be forthcoming with backing of the sort contained in the letter referred to, and the support the Department is prepared to give the War Department. Mr. Heneman said he thought funds for Korea might also be available in War Department allocations for other activities. General Arnold said he expected to confer with CAD personnel on this subject and press for action on the supply program.

Returning to Soviet-inspired activities to create resistance to the U. S. program for south Korea, General Arnold said that the command had been hesitant to take strong measures against agitators. Aside from providing martyrs to a cause, such tactics were too reminiscent of Japanese methods, which were not too successful in suppressing the Koreans. The Korean police and judiciary had actually been restrained in their tendency to prosecute leftists, or Communists, over-zealously. Counter propaganda activities have not been developed fully, and General Arnold indicated that he hoped Colonel Roberts, who is now in Washington from Korea, would be successful in obtaining badly needed personnel and materials for a strong information program in south Korea.

General Arnold expressed the opinion that if the Joint Commission could be reconvened with some hope of accomplishing its purpose Korean morale would be raised considerably. He felt, however, that there is no hope of its reconvening on the basis of the situation in Korea alone, without the Commission again being plunged immediately into the impasse that brought about its adjournment.

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The discussion was adjourned to Mr. Vincent's office where the political and economic advantages to the USSR of continuing the present dual occupation of Korea were examined. General Arnold expressed the opinion that the Soviets had made it perfectly clear that they expected to gain and hold a dominant position in Korea.

Mr. Vincent suggested that if the Secretary agreed to discuss Korean problems with the Soviets, he might make it abundantly clear that the U. S. would maintain its present position in Korea until a government was established satisfactory to both countries. Such a determined position on our part might persuade the Soviets to come to an agreement on the question of a future government for all of Korea. General Arnold felt that the USSR's final answer to such a stand would

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<sup>57</sup> July 16, p. 713.

be helpful, since the air in Korea would be cleared of the indecision that is now prevalent.

It was decided that a memorandum would be prepared for the Secretary suggesting the need for an approach on the governmental level and that an attempt would be made to arrange for a discussion of basic Korean questions with the Secretary, Mr. Cohen <sup>58</sup> and General Arnold.

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In Mr. Borton's office, in the afternoon, General Arnold said that he had been impressed with the real ability and talent the Koreans had developed in managing their own affairs. He feels that the body of self-seeking Korean politicians that has developed is not helpful since they are quite irresponsible. There are only a limited number of Korean leaders who have an unselfish interest in Korea at heart and the General places Kim Kiu Sik high on the list. Lyuh Woon Heung he regards as brilliant and personable, but irresolute. Kim Koo has lost out completely. Syngman Rhee, while powerful, is completely self-seeking.

The trusteeship issue is quiet at the moment. Should this principle be pursued, the General recommends strongly that when the terms are known, care be taken in raising the issue again in Korea. He believes a reasonable number of Koreans would readily accept advisers in the administration of their affairs providing definite terms for independence were assured, and the Koreans were given a large share of control over their own affairs.

No Koreans have appeared who could be relied upon to manage adequately their finances and industrial planning, (and other practical aspects of high level government administration) without falling prey to corrupt practices. General Arnold believes, however, that fifteen advisers, operating with Koreans now staffing the Military Government administration, would be sufficient to ensure reasonably efficient operations.

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740.00119 Control (Korea)/10-946 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, 9 October 1946.

[Received October 16—11:02 a. m.]

Tfure 63 [to Tokyo]. [From Bunce:] Following is a report of my visit to Pyongyang accompanied by Mr. Prostov <sup>59</sup> at the invitation of Mr. Balasanov, who is the Political Adviser in north Korea (see

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<sup>58</sup> Benjamin V. Cohen, Counselor of the Department.

<sup>59</sup> Eugene V. Prostov, senior economic analyst at Seoul.



cable Tfurc 62<sup>60</sup>). We left Seoul Thursday 3rd October and returned the night of the 7th. During this period I met with the following important persons and discussed Korean problems with them: Chancellor Balasanov, General Shanin, Kim Il Sawng, Chief Executive of the Provisional People's Committee for north Korea, and Cho Man Sik, Democratic leader who has been in protective custody for the last 8 months. During our visit we had complete freedom of movement without any surveillance of any kind and were treated with great hospitality and courtesy.

My feeling is that the Russians are not at all certain that they have the support of the people of north Korea for their occupation and there was emphatic and universal sentiment in favor of resuming negotiations by the Joint Commission.

In my long discussions with Mr. Balasanov he emphasized and gave us complete details of Generalissimo Stalin's reply to the questions asked him by Alexander Werth of the *London Sunday Times*.<sup>60a</sup> This emphasis indicated to me that he felt cooperative attitude. In our discussion I criticized strongly the whole of Russian postwar foreign policy and attitude of non-cooperation with the other great powers in the solution of the many world problems we face. I emphasized that this policy had hardened public opinion in the United States against Communism and Russia and stated that a continuation of this policy would inevitably lead to war between the two great powers. I stated that the United States was willing to cooperate with Russia on a constructive policy for establishing world peace on a permanent basis. In regard to the problems of Korea, I informed Mr. Balasanov that the United States would under no condition consent to the establishment of a provisional government dominated by the Communists so that it became a puppet state to Soviet Russia. Mr. Balasanov stated that Russia had no such objective and defended USSR policies. He stated that he felt that the United States had supported Rightist reactionary elements in south Korea and that the Soviet Government would not accept a provisional government dominated in any way by Syngman Rhee and Kim Koo. I assured Mr. Balasanov that the United States had no intention of trying to establish a provisional government under the control of Syngman Rhee and Kim Koo and that we desired from the beginning to work with all the Leftist elements in south Korea but that up to recently these groups had not only refused to work with us but had attacked our policies by underground means and a propaganda of lies. We agreed that in the case of Korea there was an opportunity to demonstrate that the Soviet

<sup>60</sup> October 8, not printed.

<sup>60a</sup> On the questions asked by Werth, and the replies made by Stalin, see *Foreign Relations*, 1946, vol. VI, pp. 784-787.

Government [and] the US Govt could cooperate for a constructive solution of the Korean question which would have beneficial repercussions upon Soviet-American relationships in the rest of the world.

Following this general clearing of the decks, Mr. Balasanov stated that they were very anxious to have a withdrawal of both Soviet and American Forces from Korea. I agreed that this was a desirable objective that could be obtained only after a provisional government satisfactory to both powers had been established. He then suggested that we discuss the basis of reconvening the Joint Commission to establish the provisional government and asked me to draft a proposal which I thought would be acceptable to General Hodge and to General Chistiakov. In spite of the straightforward talking on both sides, the negotiations were carried on in a very friendly spirit.

The next day Mr. Balasanov and I discussed in detail the basic cause of the adjournment of the Joint Commission and the reason for Minister Tsarapkin's uncompromising attitude regarding consultation. Mr. Balasanov stated that the basic problem was in regard to the position taken by the United States on trusteeship and felt that trusteeship in the form of help and assistance was essential for a period up to 5 years. He felt that the basic problem lay in the United States interpretation of Communiqué number 5 which contains the declaration to be signed by political parties and social organizations with which the Joint Commission would consult. He interpreted the statement by General Hodge which said that "signing the declaration for consultation with the Joint Commission does not indicate that the political party or social organization favors trusteeship, or that the organization commits itself to support trusteeship" to mean that the Rightist leaders and political parties could give antagonism to trusteeship as a means of whipping up opposition to the Joint Commission, the Provisional Government and the Moscow Decision. He stated that the speech by Kim Kiu Sic, expressing the same point of view, meant that the Rightist would be given a political advantage over all groups, particularly those in the north which had been informed as to the real meaning of trusteeship and approved of it fully because they understood it. I agreed with Mr. Balasanov that the issue of trusteeship should not be used as a means of making political capital or sabotaging the work of the Joint Commission and the Moscow Decision. I also stated that it was impossible for the United States to exclude from consultation all those who might oppose trusteeship or have various opinions as to the form it should take. I argued that from those who opposed trusteeship status we might gather valuable information as to the form of trusteeship which would be most desirable to the Korean people and which the Joint Commission could approve. I also pointed out that in discussing the question of trustee-



ship with these individuals and emphasizing that it was method of aid and assistance, that the Joint Commission could persuade them that it was desirable for the national welfare of the Korean people and the development of strong democratic government. At first Mr. Balasanov violently disagreed with my position, but later accepted it as reasonable and on the basis of this discussion I later drafted the following statement:

"The delegation of the United States will agree to interpret the word 'cooperation' in paragraph 3 of the statement to be signed by parties and organizations before consultation and which had been published in Communiqué number 5, to mean that such individuals, parties and social organizations would not sabotage the work of the Joint Commission and the fulfillment [of the Moscow Decision. Those individuals, parties and social]<sup>61</sup> organizations which do sabotage the work of the Commission and the fulfillment of the Moscow Decision shall be excluded from consultation with the Joint Commission.

"In consideration of this interpretation of the Joint Communiqué number 5, the Soviet Delegation agrees that it will not exclude from consultation any individual, political party or social organization which has subscribed to the declaration in accordance with the Joint Communiqué number 5 and which loyally fulfills this statement."

Since this was a completely unofficial meeting, I further suggested that a possible procedure for arriving at a practical solution would be to ask General Hodge to write a letter to General Chistiakov suggesting that a Joint Committee of two delegates from each delegation meet together to work out an agreement for the reconvening of the Joint Commission. Since returning here Mr. Prostov and I met with Generals Hodge, Lerch, Brown and Weckerling and discussed this statement which both Mr. Balasanov and I felt provided a reasonable basis for the resumption of negotiations. It was felt that the statement as drawn was subject to misinterpretation and the American Delegation is revising it to fully protect the American position regarding freedom of speech. After this is done, it was agreed we should ask Mr. Balasanov to visit informally in Seoul and see if the modification might be acceptable to the Soviet Delegation.

My impression is that Mr. Balasanov interprets this statement to mean that individuals, parties and organizations with which the Joint Commission would consult and express their opposition to trusteeship before the Joint Commission if they so wish, but they could not use their opposition to trusteeship to build up political power or stir up opposition to the Joint Commission, the Provisional Government and the Moscow Decision.

The Department will be kept fully informed regarding further developments.

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<sup>61</sup> Insertion based on text transmitted in despatch 51, October 16; received October 24.



A detailed account of our trip and impressions will be forwarded as a dispatch.<sup>62</sup> [Bunce.]

[LANGDON]

740.00119 Control (Korea)/10-1646

*Memorandum of Conversation, by the Acting Chief of the Division of Japanese Affairs (Borton)*

[WASHINGTON,] October 16, 1946.

Participants: General Hilldring  
Major General A. V. Arnold  
Mr. Borton—JA

In connection with General Arnold's appointment with the President on October 16, he desired to get some indication from the Department of State as to the problems which we thought he might raise with the President. General Hilldring prefaced his remarks by a statement that he understood General Arnold had already consulted with numerous persons in both the War and State Departments and hence was probably familiar with our thinking on Korea and that his firsthand knowledge of Korean problems placed him in an admirable position to clarify the Korean situation in his talks with the President. General Hilldring pointed out, however, that he might wish to emphasize the following points:

(1) Latest reports from Korea indicate that there is a possibility that a satisfactory formula can be worked out with the Soviets which would allow for the reconvening of the Joint Commission in the near future. Naturally the State Department hoped that this would be possible as approaches to the Soviets on a governmental level on a specific problem have little effect unless there is some indication from the field that they are giving way on some particular point.

(2) If it appears obvious that local efforts to reconvene the Joint Commission fail, General Hilldring is prepared to recommend to the Secretary that he discuss outstanding problems on Korea with Mr. Molotov, including the question of the reconvening of the Joint Commission.

(3) The President's attention might be brought to the recent report from Korea from Mr. Bunce, Economic Adviser to General Hodge, indicating that in his recent conversation with Mr. Balasanov, a Soviet member of the Joint Commission, the latter had proposed that both Soviet and American forces be withdrawn from Korea. In answer to a question from General Hodge as to the reaction of the State Department to such a proposal, General Hilldring stated that we would welcome it but that we felt it would be a sign of weakness on our part to take the initiative in such a move.

(4) Our program in Korea, if it is to be effected, will require a continued expenditure of a substantial amount of United States dol-

<sup>62</sup> Despatch 51, October 16, from Seoul, not printed.

lars, and that unless the funds are forthcoming for our program in the occupied areas we will not be able to carry them out.

In discussing the general question of creating more interest in Washington in Korea, General Hildring emphasized the value of General Arnold's visit and his willingness to discuss Korean problems with persons in the United States Government interested in Korea. He hoped that General Hodge would make arrangements for frequent visits of his key officers and thus keep Washington informed by personal contacts of the latest developments in the field.

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740.00119 Control (Korea)/10-1746: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, October 17, 1946.

[Received October 17—9:07 p. m.]

Tfure 64 [to Tokyo]. Reference Tfure 63. [From Bunce.] The US delegation of the Joint Commission has worked out the following revision of my suggested basis for reconvening the Joint Commission:

"The delegation of the US agrees to interpret paragraphs 2 and 3 of the declaration in Communiqué number 5 of the US-Soviet Joint Commission, dated April 17, '46, to mean that such individuals, parties and social organizations shall not foment or instigate mass opposition to the work of the Joint Commission or the fulfillment of the Moscow decision. Those individuals, parties and social organizations which do foment or instigate such opposition shall be excluded from further consultation with the Joint Commission.

The decision excluding such individuals, parties and social organizations shall be by agreement of the Joint Commission. In consideration of this interpretation of the declaration published in Communiqué number 5 of the Joint Commission the Soviet delegation agrees that it will not oppose consultation with any individual, political party or social organization which subscribes to and abides by the declaration published in Joint Communiqué number 5."

Negotiations are under way for another conference between Balasanov and Bunce, either in North or South Korea. It was felt that agreement should be first reached on an entirely informal basis before any official correspondence takes place.

Mr. Balasanov is at present at Voroshilov and is expected to return tonight or tomorrow. In the light of General Arnold's statement to the press and the meeting of the Foreign Secretaries scheduled for October 23, we would appreciate receiving your suggestions and comments regarding the wisdom of our negotiations. They could be used by the Russians as a basis for avoiding a discussion of the Korean problem by the foreign secretaries and thus further delay a settlement.

Your comments regarding the revised basis for reconvening the Joint Commission would also be appreciated. Hodge and Langdon concur. Reply earliest. [Bunce.]

[LANGDON]

740.00119 Control (Korea)/10-1846: Telegram

*Lieutenant General John R. Hodge to the Secretary of State*

CONFIDENTIAL

SEOUL, October 18, 1946.

PRIORITY

[Received October 20—4:43 p. m.]

Tfgeg 516 [to Tokyo]. Declaration today presented to me signed "On behalf of the Coalition Committee, Kim, Kyu Sic and Lyuh Woon Hyung, Chairmen," reading as follows:

"Declaration requesting the reopening of the American-Soviet Joint Commission. In accordance with the decision of the Moscow three-power conference, Soviet Russia and the US, in order to accomplish the assigned task toward the people of Korea, had formed the American-Soviet Joint Commission and had for some time carried on its sessions. But the sudden indefinite adjournment of the said Commission (since May 6, 1946) is not only matter of deep regret but also retards the realization of the burning aspiration of the Korean people to reestablish their country as an independent state.

The Coalition Committee therefore, voicing the sentiment of the entire Korean people request hereby the Commanding Generals of the occupation forces of both Allied Powers as well as their respective governments to have the Joint Commission resume its work immediately."

Copy of declaration is being sent also to Commanding General of the Soviet Forces in North Korea. Presentation of declaration has no particular significance but it emphasizes the general feeling of the Korean people concerning the prolonged adjournment of the Joint Commission. This disappointment will increase and is of course a factor in the current restlessness.

In this connection the Koreans have been closely scanning recent press reports of the Paris Council of Foreign Ministers for evidence of American-Soviet reproachment [*rapprochement?*]. See also Tfurc 63 and 64. Langdon concurs in this comment.

[HODGE]

740.00119 Control (Korea)/10-2346: Telegram

*The Secretary of State to the Political Adviser in Korea (Langdon)*

WASHINGTON, October 28, 1946.

142. Cable from Kim Sung Soo<sup>63</sup> to ActSec asks for true facts concerning press report that secret agreement made at Potsdam pro-

<sup>63</sup> Telegram from Seoul, October 21, received October 23, not printed. It was signed as from "Chairman the Democratic Party of Korea".



vided for partition of Korea. Advise him sole agreement at Potsdam which concerned Korea was provision in published declaration that "the terms of the Cairo declaration shall be carried out."

BYRNES

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740.00119 Control (Korea)/10-2846: Telegram

*General of the Army Douglas MacArthur to the Chief of Staff  
(Eisenhower)* <sup>64</sup>

TOP SECRET

TOKYO, 28 October, 1946.

C 66691. The following message for General MacArthur was received 28 October 1946 from General Hodge in Korea:

"Evidence is growing that Russians are planning an invasion of South Korea after gathering of rice crop this fall, using a Russian trained Korean Army to 'liberate' South Korea. Communist plans captured in past months and Communist propaganda over past few months as well as persistent reports from North Korea have pointed strongly toward such action. People of South Korea are being told now that they will be under Communist control within 6 months and all who oppose the Communist program will be destroyed.

"There is an open and growing aversion to AMG and every move made by Americans is being subjected to strong criticism and propaganda as another move to prolong AMG or colonize Korea for American imperialism. Reliable informants now returning from North Korea insist that 3 to 400,000 Korean youths are being trained by Russians for invasion purposes. These are to be led by old Eighth Route Army leaders. Russians are said to be arming them and actually directing training but arranging so that they stay out of the picture. If move is opposed by United States Troops, it is to be propagandized as American imperialistic action against a spontaneous Korean democratic movement to establish 'democratic' government.

"The rice collection program, believed essential to our program but unpopular to all Koreans, is to be used to increase opposition to AMG and to set off the fuse. One informant says he got the story from a Russian officer with whom he worked on friendly and confidential terms in Russian Military Headquarters at Hamhung. Russians are said to be moving troops away from boundary and replacing with Korean Army.

"In this connection the Russian propaganda program in North Korea is making tremendous capital on recent and current Communist disorders in South Korea, and building up the Americans as the most

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<sup>64</sup> Copy transmitted by the War Department to the Director of the Office of Far Eastern Affairs (Vincent).

cruel and sadistic imperialists in the entire world, who destroy innocent Koreans with tanks and airplanes.

"I am convinced that such a plan is more than mere rumor and that, if present trends continue, will be tried this winter.

["]The growing impetus of Soviet directed Communist propaganda in South Korea, and the hate campaign against American efforts which capitalizes the natural antipathy of Koreans against any outside control, convinces me that we can only enforce that portion of our current grain collections which provides for collecting rentals in kind from tenants and that collection from individual farmers on any enforced basis may cause a real revolution, regardless of necessity to Korean life. My economic experts tell me that if we do not collect from individuals, we will need at least 150,000 tons additional imported grain over that now committed if we are to prevent serious disorders in spring months.

"I am convinced that the following steps must be taken:

"a. American forces here must be put at T/O strength without delay.

"b. Rice collection to be obtained from individual farmers may have to be based on voluntary sales only to Government. (The amount thus obtained will be negligible hence such steps must be accompanied by assurance of additional imports).

"c. Build up a Rightist Youth Army to augment and assist occupation forces and the police and constabulary.

"d. Put publicity on higher levels as to what steps the Russians are taking and the part they are playing in North Korea disturbances and politics against the American effort here.

Hodge."

[MACARTHUR]

740.00119 Control (Korea)/10-2846

*Memorandum by the Director of the Office of Far Eastern Affairs  
(Vincent) to the Secretary of State*

TOP SECRET

[WASHINGTON,] October 29, 1946.

MR. SECRETARY: Reference General Hodge's recent message, attached,<sup>65</sup> transmitted to War Department by General MacArthur, October 28. Late yesterday afternoon Colonel Pixton brought me this message, stating that General Norstad<sup>66</sup> wanted our views before giving a reply.

I told him that Point A seemed to be one clearly for Army decision, but that I hoped, if decision were reached to raise our forces in Korea to full strength, the operation could be handled without fanfare.

<sup>65</sup> *Supra*.

<sup>66</sup> Maj. Gen. Lauris Norstad, Assistant Chief of Air Staff (G-5).

With regard to B, I said that we had consistently favored getting increased food allocations for Korea and that I felt the case made by General Hodge for doing so was good and should receive urgent attention.

With reference to C, I said that it seemed to me entirely inappropriate for us to organize a "Rightist Youth Army" in Korea and that General Hodge might achieve the ends he desired by increasing the strength of the Korean police and constabulary.

I told him that the intent of D was not clear to me. He said that perhaps General Hodge had in mind a statement by the Secretary of State or the President. I told him that I did not think the situation warranted statements by either of them; that the situation described by General Hodge, alarming as it might be, did not form a basis for Government accusation against the Russians; and that, if more conclusive evidence were obtained with regard to Russian actions in north Korea, it would probably be best for Mr. Byrnes to discuss the matter privately with Mr. Molotov.

As General Hilldring was out of the building, I discussed the matter with Mr. Acheson, who indicated approval of the statements I had made.

It is my understanding that the War Department has asked for General MacArthur's comments on the message; that it is trying to figure out how it can bring up our forces in Korea to full strength; that it is for the moment "ignoring" the suggestion for a "Rightist Youth Army"; and that it is having G-2 check the entire situation prior to giving consideration to suggestion for publicity "on higher levels".

Copy to General Hilldring.

J[OHN] C[ARTER] V[INCENT]

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740.00119 Control (Korea)/10-3146

*Memorandum of Conversation, by the Deputy Director of the Office of Far Eastern Affairs (Penfield)*

[WASHINGTON,] October 31, 1946.

In a conversation with General Arnold this afternoon I told him that Ambassador Bedell Smith had expressed the opinion a few days ago that a mutual withdrawal of Soviet and US forces in Korea would leave us in a weaker position in Korea vis-à-vis the Soviets than we are now and asked whether General Arnold agreed with this opinion. He said that he felt that under a trusteeship perhaps one regiment of troops from each of the four interested powers (USSR, UK, China



and US) would be all that was needed and that a mutual reduction at this time in US and Soviet forces to that level would be quite practicable and not disadvantageous to us. He appeared to base his opinion on his belief that Koreans, while childishy irresponsible, are not by and large difficult to control, that with the aid of the carefully picked and trained constabulary which we are building up in southern Korea it would be practicable to control any Communist-inspired political disorder, and that we have much more genuine support among the people of southern Korea than the Soviets have among the people of northern Korea so that the Soviets would find it relatively more difficult to maintain the same degree of control they now have if they withdrew the major portion of their troops.

740.00119 Control (Korea)/11-146: Telegram

*General of the Army Douglas MacArthur to the War Department*<sup>67</sup>

TOP SECRET

Tokyo, 1 November 1946.

CX 66853. Reur Warx 84240 of 30 October. Our C-66691 was intended merely for information and not for action. In accordance with your request the following comments are made serially on General Hodge's recommendations:

a. This Hq has taken measures to adjust assignment of November replacements arriving in theater so that approximately 100% T/O strength enlisted men should be in Korea 30 November 1946. Officer strength cannot be augmented in Korea owing to non-availability in theater for transfer.

b. No resources are available to this Hq for supplying food in addition to that already furnished and planned to be furnished to Korea.

c. This suggestion is believed to be unfeasible.

d. I concur.

[MACARTHUR]

740.00119 Control (Korea)/11-146: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

[Extract]

SECRET

SEOUL, November 1, 1946.

PRIORITY

[Received November 2—11:42 a. m.]

128. Summary conditions in Korea September 16 through October 16.

<sup>67</sup> Copy transmitted by the War Department to the Director of the Office of Far Eastern Affairs (Vincent).

1. Political. Unrest, violence and large scale disorders as well as political realignments on fundamental issues marked the period under review. An optimistic view of the disorders might be that they are the normal birth pains of a new nation or that they reflect an awakening sense of individual rights against oppressive authority, fancied or real. A pessimistic view might be that they reveal unpromising national characteristics: lawlessness, instability, irrationalism, latent savagery, and incapacity for self-government; also that Koreans only respect force since they dared not rebel against Japanese authority in the last 25 years and now submit meekly to a dictatorial alien controlled regime in North Korea. In any event, the disorders served to impress upon both American authorities and Korean political leaders the realities of the situation.

The disorders began with a zone wide strike of railroad workers on September 22 followed by a printers strike and threatened strikes or sporadic layoffs in factories, public utilities, government offices and higher schools. No violence occurred until the 30th when in the course of evicting railroad strikers from a public building in Seoul, the police killed two or three persons, wounded others, and suffered some casualties themselves. The following day in Taegu a mob gathered to prevent passage of a train rumored to be on its way and in clearing the mob the police killed one youth, also rumored to be a student. This inflamed the student body and other elements who the following day attacked and occupied police hqs. When tactical troops arrived to restore order the rioters went to the outskirts of the city where they destroyed police boxes, brutally murdered policemen, terrorized their families, and indulged in an orgy of destruction. Thereafter some 30 or 40 attacks on police and Korean officials, with arson of police stations and military government employees homes, broke out in small towns, chiefly in the southeastern provinces, and in quelling them tactical troops in one or two instances were compelled to fire on rioters, killing or wounding a few. In two or three cases troops reported they were fired on by the rioters, possibly with arms taken from the police (several rifles were reported so taken in the Pusan-Taegu area), while in other cases road blocks were put up to stop the dispatch of troops to the scene of disorder: also telephone lines were cut between a number of points.

By October 15 full railroad service was resumed, with the strikers' demands partly met following orderly collective bargaining with military government labor mediation officials. Also, other strikers were generally back at work while attacks upon police in the disturbed provinces were reported dying down by reason of tactical troop and police dispositions. As for the causes of the upheaval, there is ample evidence that Pak Heun Yung or "international" Communists, with



financial and personnel assistance from the Communist Party in the north, planned and directed them, taking advantage of the discontent among laborers over the rice shortage and high prices and among small farmers over the grain collection program just ended, alleged to have been administered arbitrarily, unjustly, and corruptly by the police in many areas, and over the rice collection program about to begin. The political nature of many disorders and strikes was also evident from the demands set forth (received garbled) for settlement, such as release of detained Communist offenders, reopening of newspapers suspended for violation of SCAP proclamation No. 2,<sup>68</sup> et cetera. There seems to be little doubt that the purpose of the agitating elements was to discredit the US and military government and to wreck the coalition movement and project by [of?] interim legislature.

The daring and destructive program of Pak Heun Yung's Communists alarmed the moderate and nationalist elements in the Leftist Front and tended to unite them behind Lyuh Woon Hyung, the leader of these forces. The dissident or Nationalist Communists held a convention on September 28 and organized as a distinct party, calling it the "Convention Communist Party", Uthilea (received garbled) Prof. Pak Nam Woen's Democratic Party reorganized on September 25 after having purged itself of "international Communists". The official (received garbled) of Lyuh's People's Party also proceeded boldly against these Communists. The impetus of the cleansing movement was the apparent sanction given Lyuh by the Pyongyang leaders to cooperate with Dr. Kimm Kiu Sic in the Coalition movement and to replace Pak Heun Yung. Lyuh went to Pyongyang during the last days of September evidently to get these leaders to withdraw their support from Pak's subversive program and to obtain their approval of his collaboration with the American authorities and with the Moderate Rightists represented by Dr. Kimm. This approval was apparently forthcoming, as upon his return on October 1 he proceeded to positive measures in these respects, signing on behalf of the Left Coalition compact with Dr. Kimm and a joint petition to Gen. Hodge for an interim legislature, also a joint letter to the American and Soviet commanders calling for early reconvening of the Joint Commission. This action was taken in the nick of time, however, as he disappeared on the 6th, evidently lured by Pak's agents, in an effort to prevent the signing (on the 5th [*sic*] he reappeared and took refuge in a public hospital, badly shaken from the experience). Also with Lyuh's return from Pyongyang the fusion of the three cleansed Leftist Parties proceeded apace and by the end of the period they were formally merged into one "Social Labor Party" under

<sup>68</sup> See *Foreign Relations*, 1945, vol. VI, p. 1044, footnote 57.



Lyuh. It would thus appear that the Oriental People's Front is splitting. Pak and his followers are still active, however.

Fissures began to set in the heretofore solid Right Wing too. A number of Liberal members of the Korean Democratic Party, the core of the Rightist bloc, probably disturbed by the outbreak against the police and certain military government elements generally associated in the minds of the people with that party, withdrew from the party on the grounds that it opposes the Moscow decision and the land reforms agreed upon by the Lyuh Coalition Committee.

The Coalition compact signed on October 4 by Dr. Kimm and Lyuh and their interim legislation petition to Gen. Hodge indicated considerable Rightist concessions leanings to the Left. The seven bases of Coalition are mostly of a radical nature, including unreserved support of the Moscow decision, gratis distribution of Japanese land and drastic reduction of Korean private landholdings, while the petition insists on exclusion of pro-Jap and bloc collaborations and on the understanding that the legislature is only a step toward, or part of, a later National Assembly. In fact, the Coalition Committee has been showing a spontaneous tendency to become the nucleus of a party of strong and patriotic individuals with a common political viewpoint which conceivably may become the dominant party of south, if not of all, Korea, inasmuch as the committee would appear to be favored by the North Korean leaders. And this common viewpoint, it should be emphasized, is a distinctly radical one; pursuant to the committee petition the organic ordinance of the interim legislature was promulgated October 13 and a schedule of units set up—45 members of the legislature are to be elected and 45 nominated by the CG. In special releases on the subject, both Gen. Hodge and Gen. Lerch indicated the wide field of legislation open to the body, denying it only measures touching upon the primary fiscal and political responsibility of the US.

September 30 the editor of one of the three suspended Leftist papers was found guilty by provost court of violating proclamation No. 2 and sentenced to 18 months' hard labor. Gen. Hodge suspended this sentence, however, and in a special release on October 11 dealing with the freedom of the press, announced that, if the three papers reopened, their future would depend on the degree of responsibility they showed.

LANGDON

740.00119 Control (Korea)/11-145: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, November 1, 1946.

PRIORITY

[Received November 3—8:02 a. m.]

Tfure 65 [to Tokyo]. [From Langdon and Bunce:] The following is a translation of a letter dated October 26 from Soviet Commander Chistiakov:

"In your letter of 1 [12] August '46<sup>69</sup> concerning the resumption of the work of the joint Soviet-American Commission, you, speaking of the intentions of the American Delegation to resume the discussion to [of] the Joint Commission, at the same time have advised the Soviet Delegation to restudy its position.

In answer to this, I must declare that the Soviet Delegation is guided in its work by the terms of the Moscow decision of the three Foreign Ministers on Korea and intends to steadfastly adhere to this decision.

I again assure you that the Soviet Delegation is always ready to resume the work of the Joint Commission on the basis of strict fulfillment of the Moscow decision on Korea.

As far as the question of the discontinuing of the work of the Joint Commission is concerned, as you will know, it was the American Delegation itself which after a time in the course of the discussions suggested that the work of the Joint Commission be suspended, and finally at its suggestion the work of the Commission was suspended 5 May '46. In your letter you stated that 'the exact fulfillment of the Moscow decision is and always has been the mission of the American Delegation.'

I must, however, note that during the work of the Joint Commission the American Delegation did not, in fact, evidence such a readiness and many times even declared that it did not quite understand the Moscow decision on Korea.

Your assertion that the Soviet Delegation allegedly interprets unilaterally the Moscow decision concerning the creation of a provisional Korean Democratic Government and the consultation on the subject with Korean political parties and social organizations is unfounded.

In the decision on Korea reached by the Moscow Conference of the three Foreign Ministers, a series of measures were laid out which aim at the reestablishment of Korea as an independent state, the creation of conditions for the development of the country on democratic principles and the speedy liquidation of the ruinous after-effects of long Japanese domination in Korea. Therefore, the Soviet Delegation, being guided by the aims and spirit of the Moscow decision, deems that it would not be right to consult on the question of methods of fulfilling the Moscow decision with those parties and those, who for tactical considerations, although declaring their support of the decision, at the same time make such stipulations which convert

<sup>69</sup> Reference is to General Hodge's letter dated August 12 to General Chistiakov; for text, see Department of State publication 2933, *Korea's Independence*, p. 22. This was in reply to General Chistiakov's letter dated August 6, *ibid.*, p. 21.



their statement of support of the Moscow decision into an empty declaration.

In regard to that part of your letter concerning the definition of the word 'democratic', the Soviet Delegation would like to point out that in this question it is necessary to consider not the declarative announcements of the party, and not the names of separate parties and organizations, but the actual policies pursued by a given party.

In as much as the Moscow decision has outlined the necessary measures for the democratic reconstruction of Korea, it is the opinion of the Soviet Delegation that the attitude of different parties and groups towards the Moscow decision is the most important criterion of their true democratic nature and of their striving to see Korea a democratic state.

Thus, the position of the Soviet Delegation on the question of consultation of the Joint Commission with the Korean democratic parties and organizations fully corresponds to the Moscow decision.

At the same time it is impossible not to note that there is an obvious contradiction between the interpretation in your letter of the word 'democracy' and the actual position which the American Delegation assumed during the period of the work of the Joint Commission.

It is well known that the American Delegation has included in the list of political parties and organizations for consultation with the Joint Commission on the question of the creation of the provisional Korean democratic government, all political parties and organizations which had voiced their opposition against the Moscow decision and only three democratic parties which upheld the Moscow decision. It is completely obvious that the American delegation, when it excluded from participation in consultation with the Joint Commission such democratic parties and organizations of mass character as the Korean national revolutionary party, the all-Korean Confederation of Labor, the all-Korean Womens Union, the all-Korean Youth Union, the all-Korean Farmers Union and a number of other organizations, [was?] guided by other than their democratic principles.

As regards the freedom for the Koreans to express their position toward formation of the Korean Government or the realization of the Moscow decision on Korea, the Soviet Delegation has never anywhere made proposals directed against the freedom of expression by the representatives of Korean parties and organizations, wherever they may be, and it is accordingly understood that any part[y?] or group as well as any individual Korean citizen can express similar ideas or present them to the Joint Commission.

I cannot agree with the interpretation set forth in your letter on the question of trusteeship because such an interpretation actually places in doubt the decision of the Moscow Conference on this question, as it is known the Moscow decision states: 'it shall be the task of the Joint Commission with the participation of the Provisional Korean Government and of the Korean democratic organizations to also work out measures for helping and assisting (non<sup>70</sup> trusteeship) the political, economic, and social progress of the Korean people, the development of democratic self-government and the establishment of the national independence of Korea.'

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<sup>70</sup> The word "non" does not appear in the text of the Moscow decision of December 27, 1945.



Thus, among the tasks of the Joint Commission is included the preparation of proposals dealing with the establishment of a trusteeship in regard to Korea with the stipulation that these proposals relating to Korea for a period up to five years, will, after consultation with the Provisional Korean Government be submitted for joint consideration to the governments of the four powers.

From the above it is clear that the question of the establishment of the trusteeship as a measure which must aid in the democratic transformation of Korea has been definitely decided by the Moscow Conference and on this basis there must be prepared concrete proposals for the eventual working out of the agreement of trusteeshipment [trusteeship].

During the interruption in the work of the Joint Soviet-American Commission many events have occurred in south as well as in north Korea. All these events testify that the Korean people are striving to unite their country, to have a democratic government and to carry out their democratic transformation.

It is the opinion of the Soviet Delegation that the delay in the formation of the Korean Provisional Democratic Government impede[s] the so necessary unification of Korea into a single state; it is having a negative effect on the economic and political situation of the Korean people and is holding back the realization of democratic transformation in all Korea.

The Soviet Delegation is greatly concerned that the negotiations of the Joint Commission, interrupted on the initiative of the American Delegation in May, '46, have not yet been resumed and wishes to resume those negotiations as soon as possible on the basis of exact fulfillment of the Moscow decision.

If after taking this into account, along with the foregoing statement, you will express your consent to resume the work of the Joint Commission, the Soviet Delegation will always be ready to resume the work."

We are presently drafting our reply and its text will be reported to the Department when it is dispatched. We are treating this exchange as secret and request the Department treat it so for the time being.

Dept please pass to Moscow.

[LANGDON and BUNCE]

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740.00119 Control (Korea)/11-446: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, [November 2, 1946.]

[Received November 4—3:57 a. m.]

Tfure 66 [to Tokyo]. [From Langdon and Bunce:] "The following is the text of General Hodge's reply <sup>71</sup> transmitted today to Soviet Commander's letter of October 26 quoted in our Tfure 65:

"Dear General Chistiakov: I thank you for your letter of October 26, 1946, and agree with you that the continuation of the division of

<sup>71</sup> Dated November 1.

Korea into two parts works great hardship on the Korean people. It also weakens the prestige of two great Allies who cooperated so fully to bring a victorious end to the bitterest war in history. Each added month of this division tends to make more difficult the implementation of the Moscow decision on Korea made by the foreign Ministers of the Allies last December.

For the purposes of reconciling the differences between the United States and the USSR delegations, which are not fully resolved in your letter, I propose that the following basis of agreement for reconvening the Joint US-USSR Commission be accepted by both the Soviet and American delegations with view to the early resumption of the sessions of the Joint Commission. It is agreed to interpret paragraphs 2 and 3 of the declaration in communiqué No. 5 of the US-USSR Joint Commission dated April 17th, 1946, to mean that such individuals, parties and social organizations shall not foment or instigate mass opposition to the work of the Joint Commission or the fulfillment of the Moscow decision. Those individuals, parties, and social organizations which do foment or instigate such opposition shall be excluded from further consultation with the Joint Commission. The decision excluding such individuals, parties and social organizations shall be by agreement of the Joint Commission.

In consideration of this interpretation of the declaration established in communiqué No. 5 of the Joint Commission, dated April 17th, 1946, both delegations agree that they will not oppose consultation with any individual, political party, or social organization which subscribes to and abides by the declaration published in joint communiqué No. 5.

In order to eliminate any possible future misunderstanding, I believe it is advisable briefly to restate the position of the United States at this time.

(a) The United States has always favored the exact fulfillment of the Moscow decision by the Joint Commission. This decision obviously includes the preparation of proposals "for the working out of an agreement concerning a Four Power trusteeship of Korea for a period of up to five years" which "shall be submitted for the joint consideration" of the Four Powers "following consultation with the provisional Korean government". However, there is nothing in the Moscow decision which predetermines the terms or nature of a Four Power trusteeship except that it shall be a method "for helping and assisting (trusteeship) the political, economic and social progress of the Korean people, the development of democratic self-government, and the establishment of the national independence of Korea" to be worked out "with the participation of the provisional Korean democratic government," and a limitation placed upon its duration.

(b) The United States has always favored the exercise of freedom of speech in Korea. The United States believes that all Korean democratic parties and social organizations should be permitted to make known their desires in the formation of their own government. The representatives of the United States see a great difference between (1) the instigation of mass opposition to the work of the Joint Commission and the fulfillment of the Moscow decision, and (2) the proper exercise of freedom of expression by Korean individuals, democratic parties and groups concerning their wishes and desires in the formation of



their own government. On the basis of the United States' position herein stated and the suggested interpretation of paragraphs 2 and 3 of the declaration in communiqué No. 5 to the Joint Commission which is approved for the United States delegation, the American Command proposes that the Joint Commission resume its work without delay and I again cordially invite Soviet delegation to return to Seoul at an early date for the purpose of resuming negotiations. I shall be pleased to hear from you as early as possible in order that the necessary preliminary arrangements can be effected."

United Press from London on October 30 relayed Radio Moscow report that the Soviet delegation wished Joint Commission to reconvene soonest possible and added that the broadcast quoted exchange of letters between Generals Hodge and Chistiakov. Please inform us or ascertain for us whether Chistiakov's letter of October 26 was released by Moscow <sup>72</sup> as information urgently needed for determining our local treatment of this last exchange of letters.<sup>73</sup>

[LANGDON and BUNCE]

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740.00119 Control (Korea)/11-346: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, November 3, 1946—5:14 p. m.

PRIORITY

[Received 11:22 p. m.]

129. Tfpol 47 [to Tokyo]. Subject is Korean interim Legislative Assembly. Your telegram 141, October 26.<sup>74</sup> Contents of messages of October 21 and October 22 cited in your telegram are not known, messages apparently not having emanated from here; this report will attempt to review the whole subject rather than provide information supplementary to that already in Department's possession.

The organic ordinance (No. 118) of the Assembly is dated August 24, and preliminary distribution was made and instructions were sent to Provincial Governors for conduct of elections several days before its promulgation in final reprinted form on October 13. This need of

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<sup>72</sup> The Moscow press on October 31 devoted two columns to excerpts from the Hodge-Chistiakov exchange of correspondence and cited at particular length from the Chistiakov letter of October 26, according to telegram 4062, November 4, 3 p. m., from Moscow.

<sup>73</sup> Telegram Tfigc 524, November 7, from Seoul, reported General Hodge's press release of that day on the exchange of correspondence on August 12, October 26, and November 1 and further comment by General Hodge. He pointed out that no "exact meaning of 'trusteeship'" had been defined and that this would await consultation between the Joint Commission and the provisional Korean government still to be established. He hoped this could be done, "thus ending the unhappy division of Korea and the uncertainty of its people." (740.00119 Control (Korea)/11-746)

<sup>74</sup> Not printed; it asked for information on Korean election plans (895.00/10-2646).



winning official as well as a modicum of substantial support for the project from the Left, which from the very beginning has disliked, mistrusted and fought against the measure. As was stated in my recent reports, this support was finally forthcoming when Lyuh got clearance from the North Korean leaders and signed on October 4 on behalf of the left-wing in the "Coalition Committee," jointly with Dr. Kimm Kiu Sic on behalf of the right-wing in that committee, a seven-point petition to General Hodge concerning the establishment of the Assembly, the draft ordinance having long previously been laid before them.

The first two points sought to reduce the military governor's authority to "agreement" with the Assembly's measures instead of "veto", "sanction", or "ratification" thereof. The third recommended that the body be increased to 45 members to be elected by the people and 45 members appointed upon recommendation by the Coalition Committee. The fourth point related to definition of pro-Japanese ineligible for membership, and the fifth to methods of election. The sixth proposed that two delegates of the Coalition Committee be sent to each province to supervise the voting. The seventh read: "This preliminary legislative organization will conduct itself as a legislature which represents the whole of Korea."

On the basis of this petition and concurrent discussions with the Coalition Committee, the draft ord was revised to meet the wishes of the committee insofar as compatible with maintaining our supreme authority and primary responsibility and releases were issued by Generals Hodge and Lerch stressing the latitude in law making to be allowed the Assembly. Finally on October 13 the organic order was promulgated and on the 18th General Lerch furnished the Coalition Committee with a written schedule for elections.

These elections of electors in the lowest voting subdivisions, who were to elect the electors for the next higher voting subdivision and so on up to the provincial level, began between October 17 and 22 according to province, and the election of the Assembly members was to be completed by the end of October. This has been done, and reports indicate the elections proceeded smoothly and without disorder of any kind. All Coalition Committee delegates proceeded to the provinces to observe the elections.

Immediately the Left took exception to the short notice given for elections, claiming their organizations in the provinces were unprepared for the campaigning, that their leaders were under detention by, or hiding from, the police in connection with the recent dis-

orders, and that the provinces were too disturbed to allow for orderly elections, and asked for a postponement.

The Coalition Committee in degree upheld this request, but because of the pressing need to convene an Assembly of some kind, because the spadework for the election had already been done sometime previously by military government, and because the first Assembly is required by the ordinance immediately to enact a law to replace itself by early general elections according to more formal and representative procedures, the request has not been granted to date.

As the Department may be aware, the administrative officials of military government, because of the antagonism and virtual boycott of military government by the Left from the very beginning, are predominantly rightist. Thus the administrative preparations for the elections have been largely in their hands; and because of their tendency toward partisanship on the one hand and the disorganization and studied absence of interest in the elections by most of the local leftists on the other hand, it is a foregone conclusion that an overwhelming majority of rightist members will be elected.

General Hodge does not intend to take any action for the moment, but if the returns indicate virtual non-participation of leftists from the cases mentioned, he may consider compensation [*compensating?*] the Left by appointing a reasonable representation of leftists in the slate of candidates nominated to him by the Coalition Committee, which seems to be working harmoniously in this matter.

Returns up to the present indicate the election of many rightist[s] reputed by the Left to have been Japanese collaborators, whose ineligibility on this account under the ordinance must be passed upon by vote of their fellow Assemblymen. This is unlikely even with a majority of leftists among the appointed members, and General Hodge will probably be under heavy pressure to void the election and order a new one.

As for the date of convening the Assembly, it now awaits the submission of the slate of candidates for appointment, the appointment by General Hodge of such candidates, and possible action by General Hodge if the returns show and reports from the field show manipulation of the [elections?].

[The Assembly's?] convening was originally scheduled for November 4 but on October 18 General Lerch stated to the press he hoped it would take place a month from now. The Department will be currently informed of the progress of the project.

LANGDON

740.00119 Control (Korea)/10-1646

*The Director of the Office of Far Eastern Affairs (Vincent) to the Assistant Secretary of State for Occupied Areas (Hilldring)*

[WASHINGTON,] November 4, 1946.

DEAR GENERAL: Over the weekend I had time to read Bunce's report on his conversations with Balasanov at Pyongyang.<sup>75</sup> On page 3 I notice that Bunce, in replying to Balasanov's suggestion that there be a simultaneous withdrawal of troops from Korea, said that he "agreed that this was a desirable objective that could be obtained only (my underlining) after a provisional government satisfactory to both powers had been established." I bring this to your attention because in a memorandum of October 16 of your conversation with General Arnold you are reported to have said that "we would welcome it (troop withdrawal) but that we felt that it would be a sign of weakness on our part to take the initiative in such a move." A copy of the memorandum is attached.<sup>76</sup>

I believe that you approve the conditional form in which Bunce agreed to withdrawal and that in talking to Arnold you simply didn't spell it out. I say this because I am convinced that we would get into all kinds of trouble if we agreed to a simultaneous troop withdrawal prior to the establishment of some kind of unified administration for all of Korea.

J[OHN] C[ARTER] V[INCENT]

740.00119 Control (Korea)/10-1646

*Memorandum by the Assistant Secretary of State for Occupied Areas (Hilldring) to the Director of the Office of Far Eastern Affairs (Vincent)*

[WASHINGTON,] November 8, 1946.

Thanks for the note. I agree with you that it would be far better to have a unified central Government before we withdraw, and I heartily subscribe to that as the most desirable and the first preference.

I don't believe, however, that I am as much impressed with the necessity for a central government as you are.<sup>77</sup> I believe that what we really need as a prerequisite for withdrawal is not so much a central Government as a strong Russo-American Control Council in Seoul. At the time of the withdrawal of the troops we may or may not

<sup>75</sup> Report sent in despatch 51, October 16, from Seoul, not printed; but see telegram Tfurc 63, October 9, from Seoul, p. 743.

<sup>76</sup> *Ante*, p. 747.

<sup>77</sup> Mr. Vincent wrote a notation at the bottom of this memorandum: "Actually what I said was that there should be 'some kind of unified administration for all of Korea' as a prerequisite to troop withdrawal. JCV".



have a central government operating under this Control Council, or Governments may rise and fall after our troops leave. My judgment is that it isn't the existence of a *central government* that is of such importance to us but rather the existence of a *reliable, strong, nationally-recognized* central government. If we wait for that to occur, our troops may be there for 10 years. The problem you raise is the exact replica of the one we have had in Austria for six or eight months. In Austria we are quite willing to withdraw our troops if the Russians will do so, in spite of the fact that we wouldn't bet a dime on the length of tenure of the Renner Government.<sup>78</sup> In Austria the condition is a little worse than it is in Korea. Instead of having two air tight compartments, we have four.

To sum it up, I think if the Russians would come forward tomorrow with a proposition for both of us to pull our troops out of Korea, we would decide—and very properly in my opinion, to haul our freight.

J. H. HILLDRING

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740.00119 Control (Japan)/11-1346: Telegram

*The Ambassador in the Soviet Union (Smith) to the Secretary of State*

SECRET

Moscow, November 13, 1946—4 p. m.  
[Received November 13—11:39 a.m.]

4123. We venture following comments, as formulated from Moscow point of view, regarding infotel November 8, 11 a.m.,<sup>79</sup> reporting possible action by American occupation authorities to restore semblance of balance in Korean Legislative Assembly by appointing large proportion of Leftists.

We are of course not competent to comment on overall value of such a move. We would, however, express skepticism over likelihood that inclusion of large proportion of representative Leftists would quiet all anticipated Leftist outcry over composition of Assembly. Independent Liberals might be satisfied by such move, but scarcely those elements looking to USSR for guidance. Moscow directed Leftists have never been distinguished for having either sense of gratitude or fair play. Only political domination, not reasonable proportional representation, will satisfy them.

If proposed action is designed to forestall criticism by honest Liberals in Far East and USA, it may be successful. If, however, it is intended to lessen Communist criticism, it is in our opinion not likely

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<sup>78</sup> Karl Renner, of the Socialist Party, was elected President of the Second Austrian Republic on December 20, 1945. The coalition cabinet was headed by Chancellor Leopold Figl, of the People's Party.

<sup>79</sup> Not printed, but see telegram 129, November 3, 5:14 p. m., from Seoul, p. 761.

to succeed. This will be especially true if mostly Leftists not susceptible to Moscow control are appointed. For Kremlin regards Social Democrats and enlightened Liberals as far more dangerous enemy than reactionaries.

SMITH

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740.00119 Control(Korea)/11-1446 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, November 14, 1946—10:44 p. m.

PRIORITY

[Received November 15—5:09 a. m.]

Tfgbi 515 [to Tokyo]. Summary conditions Korea October 16 through October 31.

1. Political. Following police and tactical troops' dispositions, patrolling to restore order and guard against new disorders, an ominous quiet reigned throughout the provinces at the beginning of the period, but as the month drew to its end further attacks on police and Korean officials of military govt and sabotage of transport and communications occurred in widely separated areas, with many killed and injured on both sides and heavy damage to property.

The centers of disorders were in the Kaesong area at the western end of the 38th parallel, in the nearby area southwest of Seoul, and in the Mokpo-Naju area in the southwest corner of the peninsula. At the same time stock was taken of the losses in the Taegu and Pusan areas at the beginning of the month. With regard to the first area, the National Police Director was quoted as saying that some 40 police and 40 rioters had been killed and that property losses to the people were estimated at yen 120,000,000, to police installation at 110,000,000 and to military govt agencies 160,000,000, also that 3,782 people had been apprehended. Casualties in the Pusan area were put at 7 policemen killed and 34 wounded, 29 rioters killed and 84 wounded and military govt personnel 10 wounded.

Serious riots were no doubt averted in Seoul on 22nd by the precautionary measures, including tank patrols, taken by the tactical forces and by police acting on warning from friendly Leftists that big scale riots were planned for that day. Thus when a mob of some 2,000 collected in the heart of the city bent on violent demonstration, they were easily dispersed. While the animosity toward the police and certain elements in military govt and the opposition to the rice collection are unquestionably the agitating elements of the trouble, there seems to be no doubt that the shaping of this discontent into violence and political hatreds has been the work of the implacable Pak Heun Yung's gangs.

Unrelated to the disturbances, but probably connected with recent administrative changes in Seoul National University, was a crippling strike of 150 doctors in the University hospital on the 21st. By the 24th 40 had returned to their duties, and defections from the strike continued, but the difficulty was still unsettled at the end of the month.

Another strike of economic nature was a short-lived strike of ship captains at Pusan on 17th. The general reaction to the disorders has been shame and condemnation and a feeling of urgency for remedial measures, with different political blocs proposing to make their own investigations of the origins of the trouble. Acting on the suggestion of the Coalition Committee headed by Doctor Kimm Kiu Sik and Lyuh Woon Hyung, General Hodge on the 23rd invited the committee to sit with an American board composed of Generals Brown and Lerch, Doctor Bunce and three others to look into the causes of the disturbances and make recommendations for corrective action.

The first action taken by this group, known as the Joint American Korean Conference, was an appeal on the 25th to the people, over the signature of Doctor Kimm, Lyuh and Gen. Brown, for reason, [apparent garble] mistrust of agitators and cooperation with the authorities to improve the situation. General Hodge issued a prior special release along the same lines on the 23rd. The conference next on the 26th drew up the topics into which it would inquire and on which it would make recommendations.

These topics were presented by the Korean members as the cause of the disturbances, namely :

(1) Enmity against the police, the presence of former Jap collaborators and of "interpreters" in military govt, corruption of some Korean officials, and agitators against the welfare of Southern Korea ;

(2) The rice collection and distribution program, inflation and high prices, refugee problems and the slowness of economic recovery ;

(3) Delay in formation of Provincial [*Provisional?*] Govt, discontent with administration of former Jap property, party influences and how to improve the govt.

The conference has been sitting daily, with qualified persons making reports and submitting evidence to it (a full report on the conference will be made when it completes its findings). In this confused atmosphere military govt went ahead with its scheduled (Oct. 17 to 29) elections for the 45 elective members of the Interim Legislature, and the full returns were in by the end of the period. Outside of two Leftists from Cheju Do and 12 Independents, all the successful candidates were members of the Rightest bloc, among them several alleged former Jap collaborators.

Although the elections were orderly and represented several weeks' spade work by military govt, dissatisfaction with them was voiced by



the Coalition Committee and by the Left. The latter claimed that insufficient time had been granted them for campaigning and that a campaign was out of the question in the circumstances, with all likely candidates under arrest or suspicion for alleged participation in the disorders. Confirmation by General Hodge of the elections was thus held in abeyance pending investigation of charges of unfairness and possible consideration of the reports of the elections prepared by the unofficial [observers?] despatched by the Coalition Committee. The Committee has also failed up to the present to submit to Gen. Hodge its recommendations for appointive members.

On the 18th General Lerch defined the legislative measures he would veto: matters affecting the American High Command, laws putting the burden of collecting rice on military govt but the distribution of rice in Korean hands, and laws endangering Korean economy.

Party politics were relatively inactive during the period. However, the consolidation of the Moderate and Nationalistic Leftist groups into a single "Socialist Labor Party" under Lyuh and supporting the Coalition Committee, continued. By this collection [*consolidation*] it is interesting to note that Professor Paik Nam Un, Chairman of the new Democratic Party, and Kang Jin, Chairman of the Dissident Communist Party (the cleansed People's Party is the third component of the merger), went to Pyongyang on the 18th possibly to get the approval of their action from the north Korean Democrat Kim Il Sawng and Kim Doo Bong, who are said by Lyuh, Woon Hyung, to be nationalistic-minded and opposed to the subversive anti-American Communist[s] represented by Pak Heun Yung in the south and Kim Moo Chong in the north.

Following his discharge from the hospital, Lyuh again took refuge from positive action at a country retreat, taking part in the Korean American conference only by proxy (he however attended the conference for the first time on November 8). Reports were apparent that a political group was gathering around Doctor Kimm, Chief of Coalition Committee supporters, but there was no concrete evidence of this. The Committee, however, is unmistakably developing into a group of personalities of the same mind on national affairs which might be the nucleus of a strong new party, and this mind would seem to be definitely left of center. Desertions from the Rightist Hankook Democratic Party continued, 54 officials having resigned en bloc on the 22nd.

The prosecution of the Communist Party counterfeiting case rested its case on the 21st, demanding life imprisonment for four and long prison terms for six defendants.

695.1115/11-1546 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, November 15, 1946—8 a. m.  
[Received November 17—9:47 p. m.]

134. Reurad W 84781, Too 051801/7. Existing procedures are adequate to control foreign trade whether handled privately or by USCC. Unless practicable arrangements for handling balances as indicated ourad Tfyng 2883 to SCAP believe it inadvisable to permit businessmen into Korea at this time. Even assuming practicable arrangement, such men should be carefully briefed re limited trade prospects and because of lack of housing and other facilities would necessarily be limited in number and duration of visit. For these reasons, prior clearance with Theater Command would be advisable. Businessmen of allied countries should be admitted with Americans on the basis of reciprocity.

Concur in your view that establishment of exchange rate is not essential prerequisite to success limited private trade. Because of instability of price level here establishment of stable exchange rate not now practical. A commercial exchange rate is desirable earliest to permit, under controls, the accumulation of foreign exchange from exports, foreign residents expenditures, and souvenir purchases. Pressure for commercial exchange rate will become more critical if one is established for Japan.

Ability to stabilize price and establish stable rate will depend upon success of the food program, reconversions, tax collection and expanded production of consumer goods. Plans should be made in advance for establishing commercial exchange rate as soon as internal conditions make this possible. Hodge and Langdon concur.

[LANGDON]

740.00119 Control (Korea)/11-2246 : Telegram

*The Acting Secretary of State to the Political Adviser in Korea (Langdon)*

RESTRICTED

WASHINGTON, November 22, 1946—7 p. m.

150. Following sent War Dept for approval and transmission to SCAP. "For your information, on or about Nov 10, telegram signed Kornic sent from Korea to Col. Ben Limb, Korean Commission, Washington, instructed commission obtain U.N. recognition 'civilian administration' as 'legitimate gov't of Korea'. Civilian administration understood to be that created by, and acting under military gov't. Limb and Staggars (latter acting legal counsel Korean Commission in Wash) requested Dept's advice on procedure to establish recognition.

This action appears akin to, and as spurious as that outlined inst No. 29 Sept. 23.<sup>80</sup> Dept's reply will refer to fact Korea should have fully representative, independent gov't before U.N. or other recognition is sought."

ACHESON

740.00119 Control (Korea)/11-2446: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

[Extract]

SECRET

SEOUL, November 24, 1946—3 p. m.

[Received 9:23 p. m.]

137. "Summary conditions Korea November 1 through 15.

1. Political: Mob attacks against police stations occurred chiefly in South Cholla Province, all of which on November 4 involved first instance of organized attack on US troops. Approximately 25 attacks were reported in period and estimated casualties listed as rioters, 25 killed, 18 wounded; police 7 killed, 23 wounded. That these attacks were planned is indicated by the fact that on November 11, police stations in 6 towns inside radius of 10 miles were attacked within half hour's time. Four instances of sabotage to US military communications were reported. An unsuccessful attempt to assassinate the Seoul Police Chief was made by Leftists. Four hundred prisoners escaped Chonju Jail November 11, over 170 of whom are now recaptured. The joint American Korean Conference to investigate the causes of the disorders and to make remedial recommendations continued its meetings, covering in the period the Korean charges of abuse by, and undesirable Korean elements within, the Police and Military Government.

General Hodge has not confirmed for office the successful candidates in the October elections for the interim Legislature, it being necessary first to investigate the accusations of unfairness in the elections. Also he has not received the Coalition Committee's recommendations for appointed members. The Committee's failure so far to recommend is related to its formal request on November 4 in which Lyuh seems more insistent than Doctor Kang [*Kim?*], for new elections throughout the zone or in certain provinces. Moderate Leftist disappointment with the election and with the fact that some alleged 'pro-Japanese' sold seats and knowledge that overall re-elections will probably not be held (due in part to the urgency of convening this initial assembly which is required by ordinance immediately to enact

<sup>80</sup> Not printed; it reported letter of September 23 to Mr. Ben Limb, p. 740.



a law replacing itself by more representative assembly), have been tempered by the renewed hope of a reconvening of the Russo-American Commission aroused by public announcement concerning General Hodge and Soviet Commander. In addition General Hodge's statement of November 7 explaining the American position on Korean trusteeship and independence was received favorably by the majority of political parties. In [UNO?] Assembly favorable action on Louise Yim's proposal on Korean independence received wide publicity and contributed to enhancement of Rightist party and general feeling of hopefulness. At the first executive meeting on November 12 of the Socialist Labor party (merger of moderate and nationalist Leftists in the three Leftist parties) Chairman Lyuh Woon Hyung advocated its unconditional merger with the South Korea Labor Party (composed of radical elements of left) with the understanding this united group would support the Coalition Committee to which Lyuh seems definitely committed. Doctor Paik Nam Un and Kang Jin, the chairman respectively of the new Democratic and Nationalist Communist parties in the former democratic people's front, returned from Pyongyang with apparent approval to support Lyuh and the coalition.

2. North Korea: Results of election held in gala atmosphere on November 3 of candidates for provincial and [apparent omission] [Kim Il] Sawng and his regime. Radio broadcast from North Korea states that 96 percent of over 4,000,000 registered voters voted 99 percent for the recommended candidates. Electoral procedure allowed only political parties registered with interim people's committee to recommend candidates and provided for no choice by electorate other than negative or affirmative vote by ballot for sponsored candidates. In post-elections radio broadcast, November 11, [Kim Il] Sawng praised the power of their army and implied that it was instrumental in his victory. Another occasion of much festivity was celebration on November 7 of anniversary of Russian revolution, the expected repercussion of which failed to materialize in South Korea although information of press caused police and US troops to be alerted. The liquidation of Soviet administrative control is proceeding rapidly, it being replaced by Korean Administration, although political guidance is still active. 1,500 Chinese 8th route army troops<sup>81</sup> are reported to have retreated to Hwanghae province after defeat in Mukden area.

LIANGDON

<sup>81</sup> Chinese Communist force.

740.00119 Control (Korea)/11-2746: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, November 27, 1946—2 p. m.

[Received 4:53 p. m.]

139. Dept's 150, November 22 and 147, November 8.<sup>82</sup> Anticipated in my 131 of November 4<sup>83</sup> Dr. Rhee has decided to return to US and will probably sail from Inchon about December 1. Particulars and date arrival will be furnished Department as soon as known.

On November 22 Rhee announced that purpose of his return was to handle Korean question in UNO Assembly, and local press, both right and left, is apprehensive as to how he will handle it. So are we. Although we recognize that discussion of the Korean problem in the Assembly is desirable, since it will focus world attention on the unhappy position of the Korean people caused by the prolonged division of their country and may mobilize world's sympathy for them for whatever it may be worth to the Soviets, we do not believe Rhee views the discussion in the same light.

We suspect he intends to use it to denounce the Soviet and praise the American occupation and plead for nullification of the Moscow agreement and for immediate independence. As the Soviets may still believe Rhee to be our puppet, they may conceivably confuse Rhee's pleading with American policy, to the detriment and delay of the joint solution of the problem. The Department may therefore wish to follow this matter closely so that if Rhee gets out of hand in the Assembly it may appropriately dissociate the US Government with any movement to set aside the Moscow decision or to obtain recognition of a separate South Korean Govt.

Dept's 7129 [29], September 23, mentioned in serial 150, has not been received or identified and we would be interested in its contents.

[LANGDON]

740.00119 Control (Korea)/9-446

*The Secretary of State to the Political Adviser in Korea (Langdon)*

CONFIDENTIAL

WASHINGTON, November 29, 1946.

No. 41

The Secretary of State refers to the Political Adviser's despatch No. 44 of September 4, 1946, which encloses a draft of a proposed

<sup>82</sup> Latter not printed.<sup>83</sup> Not printed.

Congressional Resolution <sup>84</sup> regarding United States aims and purposes in Korea. The Department is fully aware of the desirability of widespread interest and backing for United States policy in Korea and agrees Congressional attention to the problem of Korea would be helpful, but feels that the introduction of the proposed Resolution at this time might result in a Congressional debate on Korea which would do more harm than good.

The State, War and Navy Departments have under consideration a directive for the operation of United States Military Government in Korea which will supersede the present basic initial directive under which the Command in Korea has been operating. Operations under this new directive will probably require greater financial obligations for Korea than hertofore and will consequently necessitate War Department action to obtain these funds from Congress.

Under the terms of the new directive, provision is made for State, War and Navy Department support of a request for legislation, and it is expected that the material contained in the proposed resolution submitted under cover of the Political Adviser's despatch will form a substantial part of the legislation as finally drawn.

A copy of the Political Adviser's despatch together with its enclosure, has been given to the War Department, and in communicating the information contained herein to the responsible officers of the United States Command in Korea, the Political Adviser may express the Department's appreciation of their interest in submitting the resolution and the hope that they will concur in the view that the action contemplated above will accomplish the aim of the proposed resolution and provide a firm basis for continued operations in Korea.

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740.00119 Control (Korea)/12-546 : Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, undated.

URGENT

[Received December 5—4:23 p. m.]

Tfurg 67 [to Tokyo]. The following brings up to date developments since our Tfurg 62, October 8.<sup>85</sup> The long interval since that telegram has been due to the precarious political situation which has made it impossible to report earlier any conclusive developments.

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<sup>84</sup> Neither printed. The draft resolution was prepared by Maj. Gen. Archer L. Lerch, Military Governor of Korea. Mr. Langdon stated that General Hodge, Dr. Bunce, and he concurred that formal Congressional enunciation of U. S. intentions in Korea would have a profound effect among the Korean people and dispel their doubts of the earnestness or resoluteness of American commitments. (740.0019 Control (Korea)/9-446)

<sup>85</sup> Not printed.



The joint Korean-American conference to look into the causes of the October disturbances (see my last two political summaries) met toward the end of October in an earnest harmonious atmosphere and after sessions every work day last week submitted to General Hodge its findings and recommendations with respect to the first set of alleged causes: Primarily enmity against the police and pro-Japanese Korean collaborators military govt.

[Here follows summary of committee hearings on their complaints and recommendation that police chiefs be removed.]

Concurrently with its participation in the conference, the Coalition Committee continued its informal services to Gen. Hodge in connection with electing and recommending members to the legislature. On November 4 the Committee complained to Gen. Hodge of what it considered generally unfair conditions in the elections, particularly in Seoul and Kang-won-do Province, and asked for new elections in all south Korea or at least in those two districts. Although the elections everywhere, and particularly in the districts named, had been carried out as fairly and lawfully as conditions of Korean society allow, Gen. Hodge on November 25 declared the elections in the two districts to be void in recognition of a widespread feeling that there had been inadequate preparation for the elections and in deference to the wishes of the Coalition Committee, which it has been agreed would recommend to him the appointive member. It was only after Gen. Hodge had made this announcement that the Coalition Committee began to work on a definitive list of such members, which it submitted on November 30. The Committee's original price for this list seems to have been the heads of the two police chiefs as well as new elections, but we seem to have bought it for a reelection to six seats (out of 45) and a unanimous conference recommendation for one police head and a split recommendation for the other head. A strange anomaly of the Committee has been that, although theoretically representative equally of the right and the left, it has consistently fought the battle of the left only and not once has attempted to defend the right. Likewise, notwithstanding the presence of a Communist member, it on occasion soft-pedaled its reference to Pak Heun Yung and his subversive followers.

[Here follows report on the Committee's list of candidates and maneuvering of various political factions in regard to the legislative assembly.]

In connection with the picture herein given of the current political situation, mention should be made of a private letter from Lyuh to General Hodge on November 8 in which Lyuh attributes the prevailing exploitation of natural resources, disrepair and stagnation in south Korea to the absence of permanent officials bearing full responsibility

and suggested that the civil government be turned over to the Korean people. He then proposed Dr. Kimm be appointed head of such a government and offered to give such government his full support. This letter has set us thinking whether, if the legislature develops successfully, the transfer to Koreans under our supervision of the civil administration of Seoul [*South?*] Korea might not be our next step from all points of view.

General Hodge expects to call the opening session of the legislature on December 12, and when the session opens it will be an achievement to be proud of because of the opposition and obstruction to and inherent difficulties of the project. It is too early to guarantee that the project will not be a fiasco but the prospects of its success now seem to be reasonably good. The Department may within the next day or so send for reading at the opening session an appropriate congratulatory message.

[LANGDON]

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740.00119 Control (Korea)/12-1046: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

CONFIDENTIAL

SEOUL, undated.

URGENT

[Received December 10—12: 40 p. m.]

142. Cite Tfgcg 548 [to Tokyo]. Subject is Dr. Syngman Rhee who was [*as*] stated in my telegram 140, December 4,<sup>86</sup> left that day by air too late for action to be taken as suggested in Deptel 152, December 3.<sup>87</sup>

Intercepted telegraphic and other messages to and from Rhee indicate that early last month Rhee decided to fight and wreck US policy for Korea by building up in US and United Nations sentiment against such policy, against Moscow decision and Soviet occupation and in favor of the "The present Korean civil government", viz., Koreans in military government. This correspondence follows in some detail so that his program and methods may be thoroughly understood.

On November 5 Rhee directed Ben Limb to ask United Nations to recognize the "Korean civilian govt which replaced military govt September 12 by Gen. Hodge's order and Gen. Lerch's declaration" relative to reducing American bureau chiefs to advisory capacity and elevating their Korean assistants to bureau headship. "We accepted it", he went on, "as a happy arrangement and want many faithful American advisors and technicians to remain even under the permanent govt when formed. This interim govt will hold national elec-

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<sup>86</sup> Not printed.

<sup>87</sup> Not printed; it suggested avoiding complications by delaying Dr. Rhee's arrival until after adjournment of the UNO General Assembly about mid-December (740.00119 Control(Korea)/11-2746).



tions to set up the permanent govt soon. . . .<sup>88</sup> During the interim period Gen. Hodge's position will remain the same. United Nations recognition is most urgent for otherwise we have no way to protect the South against thousands of Red terrorist agitators and saboteurs continually infiltrating from North to terrorize us by burning, killing and kidnapping. . . . Unless we have our recognized govt immediately we cannot defend ourselves since Americans are neutral."

Between November 10 and 16 he radioed Mrs. Roosevelt,<sup>89</sup> [Paul-] Henri Spaak,<sup>90</sup> Wellington Koo,<sup>91</sup> Trygve Lie,<sup>92</sup> Gen. Romulo,<sup>93</sup> Generalissimo Chiang,<sup>94</sup> Cardinal Spellman<sup>95</sup> (through local Catholic): "Grave situation developing rapidly. Due to thousands of Red terrorists constantly infiltrating from North we [who] are engaged in inhuman atrocities and arson in various parts of the country to force us into submission. Please request United Nations Conference to recognize separate govt of Korea. When recognized we will be in position to negotiate with United Nations directly. The Communist terrorists from North make situation critical. Neutral Americans cannot save situation. Our people are threatening with general uprisings for self-protection. Unless we have independent govt recognized now we cannot maintain peace and protect the South." There were minor variations to suit each case, for instance statements to Chiang that "large Chinese Communist army is stationed along 38th parallel" and that "to save situation we ask United Nations Conference to jointly declare abrogation of Moscow decision and recognize Korean Govt immediately." On November 10 he also radioed Arthur Sulzberger<sup>96</sup> that "US neutral attitude makes our problem impossible solution" and asked that Richard Johnson be sent back to Korea to represent *New York Times* adequately; also Gen. MacArthur begging him to visit Korea to investigate personally or else to invite him to a conference in Japan.

Concurrently he gave directions and views as follows:

To Limb on 13th: "American democratic administration still counting on Communist vote will continue appeasement policy. While State Department following that policy United Nations will not do anything for Korea. Military Govt being neutral cannot protect us from Red terrorists. . . . Our only hope to save situation and maintain peace is to get our govt recognized immediately by United

<sup>88</sup> Omissions in this document indicated in the original.

<sup>89</sup> Mrs. Franklin D. Roosevelt was a member of the American delegation to the U.N. General Assembly.

<sup>90</sup> Head of the Belgian delegation and President of the General Assembly.

<sup>91</sup> Head of the Chinese delegation to the Assembly.

<sup>92</sup> Norwegian Secretary-General of UNO.

<sup>93</sup> Head of the Philippine delegation to the Assembly.

<sup>94</sup> President Chiang Kai-shek of the Republic of China.

<sup>95</sup> Of New York.

<sup>96</sup> Publisher of the *New York Times*.



Nations enabling us to prepare adequate protection." To code address Jayjill (probably Staggers or Jerome [Williams?]) on 11th: "Your suspicion shared. How shall we prevent it? Americans still insist cooperation with Leftists which will result in communizing South Korea. We demand separate govt as first step toward ultimate union North and South. Abrogation of Moscow decision is our best solution;" to Donjihoi Society, Honolulu, 25: "\$10,000 immediately needed for campaign Washington and New York United Nations Conference. Wire Limb any amount you can;" to James Shinn, 13th: "If financially possible go to London by representing me as a goodwill envoy at large. Cable reply and will airmail credentials;" to Limb, 24th: "Please make formal request to reveal Yalta text then ask Congress to demand same." On 21st he also sent long message to Korean Commission to following effect: Yalta and Moscow favor Communism and enslavement, and Cairo and Potsdam [favor] democracy and independence. We demand United Nations now decide which they stand for. If they want the former, then Americans should withdraw, leaving us with North Korea free or slave. If not they must save South Korea from [*under?*] Cairo and Potsdam. Leaving North Korea under Communists and working for coalition in South Korea will force entire nation to accept Communism. In despair our people may resort to general uprisings for self-defense. Americans following appeasement policy have gotten [*sic*] now here within a year because Communists are either for rule or ruin. We ask United Nations to declare trusteeship cancelled and recognize immediately the Korean civil govt in South Korea. We will cooperate with General Hodge and will solve our problems peacefully in cooperation with United Nations. Secretary Byrnes has declared that the US is opposed to a Communist minority control in South Korea and Gen. Lerch has proclaimed repeatedly that the Koreans are ready for self-govt. We deserve and demand our inalienable right of self-determination.

Incoming messages indicated how the campaign was going on. On November 14 Limb radioed: "Louise Yim doing wonderful work. Received cable from Philippines President<sup>97</sup> assuring support Korean plea and instructions to get on agenda United Nations . . . All papers friendly and eager for news . . . These (disorders) clearly demonstrate absolute necessity of affording Koreans own govt in South Korea, the means of self-protection and its recognition by United Nations. Please mail credentials Staggers as legal counsel Korea: Commission representing Representative Democratic Council telegraph invitation to Ray Richard directly *Times Herald* Bldg then he can come immediately. Please telegraph Louise credentials as

<sup>97</sup> Manuel A. Roxas.

Govt Korean representative United Nations General Assembly." On November 16 Louise Yim radioed: "Received cable from Philippines President assuring support Korea. Hope to get on agenda before end November. Visited all the big and small newspapers' presidents and managers thanking and greeting them from our people and you know how much they have done and are doing for our country. Every paper in New York and all over the country papers are eager to help us. They are like wild fires. All the papers are ready to help us but we are holding them until we get yes or no from United Nations. Either say we are ready to fight until we get our independence and justice and truth for whole world.["]

When Louise Yim and Limb heard of Rhee's decision to proceed to US they both radioed to dissuade him on pretext that he was much more useful to the cause if he stayed in Korea and directed it from there. Informants close to Rhee state that he intends on this trip to report unfavorably to Gen. MacArthur and to high quarters in Washington on Gen. Hodge and his administration, also that he plans to return to Korea via London and Nanking.

Although Rhee may be acting from patriotic motives, there is possibility that this may be an attempt to steal the show at home. Quite possibly the coalition compact of Right and Left last October and Gen. Hodge's support of the Coalition Committee's efforts, as well as Rhee's final realization that we mean to go ahead with the Moscow decision which in the nature of things ruins his chances of being first president, crystallized his decision to fight Moscow decision.

The Dept will readily appreciate the irresponsibility of Rhee's campaign, which resembles the Korean revolutionary efforts at Versailles in 1919 when Korea's independence was not even thought of let alone assured at [as] it is now. From our standpoint his deception and disregard of reality is unfortunate because his large and nationally useful following here is inclined to swallow them and go along with him and thereby exclude itself from participation in the formation of the provisional govt under Moscow decision (see Gen. Hodge's proposed reply to Gen. Chistiakov letter of November 26 in his Tfgcg 547, 7 December to CinCafpac pass to you<sup>98</sup>). Perhaps the only way to save this important political element from excommunication by the Joint Commission may be statement by the Secretary, the moment Rhee steps out with his extravagances, completely exposing the hopelessness of his objective as far as the US is concerned.

<sup>98</sup> Telegram Tfgcg 547, December 7, not printed; for text of General Chistiakov's reply of November 26, see Department of State publication 2933, Far Eastern Series 18: *Korea's Independence*, p. 28. For exchange of previous correspondence, see *ibid.*, pp. 20 ff.; for subsequent correspondence, see *ibid.*, pp. 30 ff. See also Department of State *Bulletin*, January 26, 1947, pp. 168 ff.

In this connection, the Korean representative council, from which credentials are being sought by Rhee's associates, will lose its official status upon convening of the Legislative Assembly December 12.  
[LANGDON]

740.00119 Control (Korea)/12-1046: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*  
[Extracts]

SECRET

SEOUL, December 10, 1946.

PRIORITY

[Received December 15—3:08 p. m.]

142 [?]. Tfgbi [to Tokyo]. Summary conditions Korean November 15 through 30.

1. Political. . . .

2. In a letter dated November 29 addressed to the Korean Communist Party, General Hodge pointed out that he had never yet in public statement denounced the Communist Party as such or declared it to be illegal. He also stated that the maintenance of law and order is a mission of greatest importance and reminded the Communist Party that the actions of a large number of its members is now outlawing itself as a legitimate political group.

3. . . .

The formalizing on November 23 of the South Korean Labor Party (merger of the Communist Party and Communist elements for [of] the people's and new democratic parties) will probably enable the entry into political activity of the extreme Leftist faction which have suffered from lack of leadership since Communist leader, Pak Heun Yung, went into hiding from arrest. This party has been gaining adherence from Lyuh Woon Hyung's Socialist Labor Party as a result of Lyuh's support of the Legislative Assembly, to which the Left is generally opposed, but there is still no disposition of the two parties to merge.

The trial of Communists charged with counterfeiting which began last August terminated on November 28 with four of the defendants being sentenced to life imprisonment and the remaining six getting 15-10 year terms.

4. North Korea. . . .



On November 26 the Soviet commander replied to General Hodge's letter of November 1 regarding reconvening of joint commission. He still demurred to the last American proposal and suggested further modification in favor of the Soviet position.

[LANGDON]

740.00119 Control (Korea)/12-1746: Telegram

*The Secretary of State to the Political Adviser in Korea (Langdon)*

SECRET

WASHINGTON, December 17, 1946—1 p. m.

156. Draft text as follows passed to War Dept. today for approval and transmission by separate War Dept. telegram to SCAP:

"Dept shares views expressed opening sentence Tfgcg 547 Dec 8 [7]"<sup>99</sup> and approves dispatch proposed letter<sup>1</sup> subject to suggestion that General Hodge consider the following:

1. Proposal No. 2 to read as follows:

'Parties or social organizations may appoint individuals as their representatives who sign the declaration in Communiqué No. 5 and who the parties or social organizations believe will cooperate with the Joint Commission in the implementation of the Moscow decision. If for good reason it is believed that a representative of a party or social organization is antagonistic to either of the Allied Powers or that he would not in good faith cooperate in the implementation of the Moscow decision, the Joint Commission may by mutual agreement require the declarant party to name a substitute spokesman.'

2. In proposal No. 3 before the word opposition in the first and second sentences it is suggested that the word 'active' be inserted."

BYRNES

740.00119 Control (Korea)/12-2746: Telegram

*The Political Adviser in Korea (Langdon) to the Secretary of State*

SECRET

SEOUL, December 27, 1946.

PRIORITY

[Received December 31—3 p. m.]

148. Summary of conditions December 1 through 15. Political: The big political event of the period was the final inauguration on December 12 of the South Korea Interim Legislative Assembly. The list of 45 appointive members submitted by the Coalition Committee was revised by Gen Hodge and finally announced on the 7th and letters of appointment issued to those members. Only one of these is a Rhee follower, the rest being mainly moderates in either Rightist or Leftist camp with some representatives of the professional classes, religious groups, etc. On the 9th a crisis arose when the Han Kook

<sup>99</sup> See footnote 98, p. 778.

<sup>1</sup> For General Hodge's letter of December 24 to General Chistiakov, see *Korea's Independence*, p. 30.

Minju Dang (Korean Democratic Party) or Rhee's followers announced 17 elected members would boycott the Legis Assembly unless either the inaugural date were postponed until after the elections in the two districts in which the elections had been voided, or those voided elections be validated. In the face of this challenge Gen. Hodge had no alternative but to declare the inaugural ceremony would proceed as scheduled and cause the acting military governor to be ready to amend the organic law of the Assembly to provide that half of the members instead of three fourths would constitute a quorum (which was done as soon as it was definitely known that the threatened boycott would be carried out). Popular demand was to get the legislature opened, and to have delayed the opening would in all probability result in complete sabotage of the entire effort. At a preliminary meeting on the 11th the members ready to serve assembled and elected Dr. Kim Kyu Sik Chairman and at the inaugural meeting 57 members attended and were sworn in. (Out of a total of 84 since the 6 voided seats are still to be filled.) Besides the 17 Han Kook members, 3 Rightist and 5 Leftist appointive members, including Lyuh Woon Hyung, as well as the only 2 People's Committee candidates elected (from Coeju Island) were absent. These last were flown to Seoul but disappeared since, the assumption being that the Democratic People's Front had forbidden their attendance. Notwithstanding this disappointing start, the inaugural meeting took place impressively and excited much public interest and gratification. After reading congratulatory messages from Secretary of State, Acting Secretary of State and General MacArthur as well as messages from the American Commands, drafting replies thereto and organizing preparatory committees, the opening meeting recessed to the 20th. The replies to congratulatory messages, as well as new messages of greetings to heads of interested friendly powers, handed to us for transmission, expressed an exaggerated idea, obviously calculated, of the Assembly's legal position and powers and had to be returned to the Assembly for redrafting in line with facts and realities. Referring to the general calibre of the members, Dr. Kim observed that they were largely quite unschooled in administration and government. By the 15th the boycotting Han Kook Minju Dang members had indicated their desire to take their seats and negotiations to that end were under way, but Lyuh and the Leftist and 3 appointive Rightists still held aloof.

Syngman Rhee left by air for Washington on December 4 with what has proven to be intent to fight the Moscow decision before the American public and if possible before UN Assembly. His public statements since have received much attention locally while the Soviet press criticizes US for the travel accommodations furnished him, in-

cluding stay at the Imperial Hotel in Tokyo, reserved for high allied personnel (actually he was a pay-passenger). In Tokyo he called on General MacArthur. After arrival, he radioed General MacArthur that we had appointed Communists to legislative assembly.

On December 5 Lyuh announced in moving self-deprecatory terms that he was retiring from public life. Actually he has since been working to rebuild his old People's Party or salvage the recently formed Socialist Labor Party of grouping of non-Pak Heun Yung Leftists. Meanwhile the South Korea Labor Party, or latest regrouping of radical Leftists, is building up its organization under the chairmanship of Hu Hun (Pak Heun Yung, still in hiding from our arrest warrant, is vice chairman). Hu offered to General Hodge assurances of party responsibility and respectability and has been granted the usual office space and other facilities accorded political parties by Military Government. In the Right Wing the rivalry between Chungking repatriates and Rhee's followers became more distinct and there promises to be a fight between them for the 3 voided seats of the Seoul Electoral District. The Leftists are taking no part in this campaign. On the 5th, 83 Han Kook members quit the party on the charge that it protected the privileged classes and toadied to the US. With the coming into being of the Legislative Assembly, General Hodge invited the Representative Democratic Council to dissolve and measures to that end were taken by Military Government. For the same reason the Joint Korean-American Conference to look into the causes of the October disturbances disbanded, while the Coalition Committee published a valedictory reviewing its achievements and stating that Lyuh would continue to work for Northern and Southern unification and for reconvening of the Joint Commission and in the Legislative Assembly for land reform, labor laws, release of political prisoners, elimination of terrorism and freedom of speech, press and assembly.

In answer to the recommendations made by the Joint Korean-American Conference, General Hodge announced on December 5th that the following corrective action had been initiated: Military Government was directed to improve the efficiency of the police and to search Korean personnel records for "former Japanese collaborators", reinforcement of inspection system to prevent corruption of public officials, trial of ring leaders in recent riots.

US [As?] anti-climax to the recent trial of Communist counterfeiter who were found guilty and sentenced to varying terms of imprisonment, it was announced on December 4 that the Korean defense attorneys may be tried for malicious statements made by them during and after the trial.



895.51/12-2746

*The Economic Adviser in Korea (Bunce) to the Secretary of State*

SECRET

SEOUL, 27 December 1946.

No. 75

[Received January 10, 1947.]

SIR: I have the honor to transmit two reports<sup>2</sup> prepared by members of my staff. The first is, "Review of Fiscal Operations of the United States Military Government in Korea," prepared by Dr. Paul J. Sturm. This report has been presented to General Hodge and the Military Governor for their consideration.

In the preparation of this report, Dr. Sturm had the cooperation of Mr. Allan Loren of the U.S. Treasury Department and the various agencies of Military Government concerned in these problems, as well as other members of my staff.

The report indicates that Military Government in Korea has largely financed its operations through the printing of money and that the currency in circulation is increasing at a rate approaching one billion yen per month. This is largely the result of expanded costs of government with a drastic decline in receipts from taxes and sales by the Monopoly Bureau. These conditions are a result of the chaotic situation existing at the time of liberation and the inflationary effects of the increase in currency that occurred during the last few months of Japanese control.

The budget and fiscal operations of Military Government have not been subject to an adequate system of checks and audits; these need to be developed as rapidly as possible together with an increase in government receipts from various sources and a curtailment of expenditures.

The report lists a series of recommendations on pages 18-21 and considerable progress is being made by Military Government to implement these recommendations. For example, a new tax program is being prepared to increase receipts from this source and special efforts are being made to increase governmental income from government-owned services and industries. A special committee has been appointed to study the organization of Military Government with a view to curtailing unnecessary expenditures, and Provincial Governors have been instructed to tighten their budget controls and submit all changes to the Budget Bureau.

The second report, "Food Position Report in South Korea, 1 December 1946 to 30 November 1947," was prepared by Mr. Robert A. Kinney and Miss Marion L. Worden of my staff, in cooperation with the National Economic Board.

This report indicates that because of the large increase in population and reduction in grain production due to lack of fertilizers and other

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<sup>2</sup> Neither printed.

factors, the food situation for the coming year will be quite critical and will necessitate substantial imports of grains from the United States. A schedule of domestic stocks and minimum import requirements by month and categories of grains is presented in Table VI which gives an over-all summary picture of the anticipated import needs for South Korea. As of 23 December, about 300,000 metric tons of polished rice (or its equivalent) had been collected under the Rice Collection Program, and it is expected that total rice collections will exceed 400,000 metric tons. If a total of 480,000 metric tons is collected and if indicated imports are made, it will be possible to ration all non-producers in South Korea approximately  $2\frac{1}{2}$  hops (about 1,300 calories) of cereals per day throughout the year. Although still a bare subsistence ration, it is far more adequate than has been available during the past year. This ration will be sold at government-controlled prices so that the cost of living of non-producers will be very greatly reduced. In the past these people have had to buy a substantial part of their grain, which comprises about eighty per cent of their total caloric intake, on the black market at highly inflated prices. A more adequate ration at reasonable prices will minimize the necessity for purchase of grains outside government-controlled channels. Already the black-market price of rice and other grains has been reduced considerably below their previous levels. Success in this over-all food collection and distribution program will be a major step towards stabilizing economic conditions in South Korea. The program is a part of the over-all plan which includes, in addition to rice collection, budget and fiscal reforms, increased production, improved distribution of consumers' goods, a reconversion program associated with the blocking of large holdings of currency, and an emergency import program directed at attaining all these ends.

I recommend that the Department support the requests of Military Government for the Food Import Requirements as outlined in this report.

I suggest that copies of these reports be forwarded to the Treasury Department and the Board of Governors of the Federal Reserve System, in addition to the interested divisions of the War Department and the Department of State.

Respectfully yours,

ARTHUR C. BUNCE  
*Minister*

740.00119 Control (Korea)/12-3146: Telegram

*Lieutenant General John R. Hodge to the Secretary of State*

CONFIDENTIAL

SEOUL, December 31, 1946—5:25 a. m.

URGENT

[Received 2:26 p. m.]

Tfgcg 560 [to Tokyo]. Syngman Rhee sent the following 28 December radiogram to this headquarters in Seoul, "for your information".

"10. Please publish through press, other channels my New Year message to all our people that sentiment in America and nearly all UN overwhelmingly [with?] us. In our determination to realize independence now we know the President is also deeply concerned about Korea and feels something must be done now. General MacArthur knows Korean Communists will never cooperate with us, yet few appeasers in State Dept are trying to block us every way. We must join all our forces with others in world in our fight to break through this block. Everyone knows Moscow decision has been scrapped by Soviet. For 15 months, in spite of convictions to the contrary, we completely cooperated with AMG in 5 different plans inaugurated by them, but all failed because a few so-called Leftist leaders refused to participate. We have failed to convince AMG that these Communist leaders' only aim is to rule or reign [ruin?]. We cannot expect to achieve independence by patiently waiting any longer, therefore we must take proper steps to prove to world our capability for national unity and independence. We are doing the immediate carrying out of the plan of turning the Govt over to Korean administrators, as announced by General Hodge and General Lerch, for immediate national election with no empty promises or dilatory measures. We do not blame General Hodge, as we know the difficulty of his position; but we hope he will follow General MacArthur's policy regarding Communist terrorists. We are neither anti-American nor anti-Social nor anti-Communist. We are solely for Korean people's interests and for immediate restoration of our independence. We are still endeavoring to solve our problems peacefully. All that we are seeking to do is to exert our right of self determination. If others do not like it, we cannot [help it?]. Our people must be united in one purpose, the immediate achievement of our independence.

Telegram not delivered but I have had Major General Brown contact Mrs. Rhee for discussion of activities of the Rhee groups here. Intercepted letters and messages between Rhee and his headquarters and CIC information give strong indications that Rhee is directing his followers here with a view to starting mass demonstrations in protest against delays in Korean independence and against the Moscow decision, which may include violence and sit down strikes, to show the Americans that they are helpless without cooperation of his group.

Recommend that someone in Washington get hold of Rhee and talk frankly to him about the dangers of his apparent line of action. Suggest this be done by someone he will trust and listen to. If Mr. Pres-



ton Goodfellow has confidence of administration, he would be ideal, since he has complete confidence of Rhee. Major General A. Victor Arnold is also suggested, possibly to work with Goodfellow.

Rhee is nuisance in that he wants everything done his own impractical way and wants to head separate Govt of South Korea. However, we cannot and must not overlook his potential to do irreparable damage unless carefully handled.

HODGE

## NETHERLANDS EAST INDIES

### THE INTEREST OF THE UNITED STATES IN NATIONALIST OPPOSITION TO THE RESTORATION OF NETHERLANDS RULE IN THE EAST INDIES<sup>1</sup>

501.BC/12-2645

*Memorandum Prepared in the Department of State*<sup>2</sup>

SECRET

[WASHINGTON, December 26, 1945.]

USGA/Gen/29

#### (28) DISPUTES OR SITUATIONS—THE NETHERLANDS EAST INDIES

##### I. STATEMENT OF THE PROBLEM

What position should the United States adopt with respect to problems in the Netherlands East Indies, in light of the decision of the Combined Chief of Staff for that area, Indonesian movements for self-government and continued U.S. recognition of Netherlands sovereignty, if these problems should be raised in the General Assembly or the Security Council.

##### II. PROPOSED UNITED STATES POSITION

Should the question of the Netherlands East Indies be raised in the General Assembly or the Security Council, the U.S. Delegate should advocate that a settlement be effected between the Netherlands authorities and the Indonesian leaders by direct negotiation. In the meantime the military measures incident to the surrender of Japan should be brought to a conclusion as expeditiously as possible.

Should the Netherlands Government assert that the problem of the Netherlands East Indies is essentially within the jurisdiction of the Netherlands and therefore not a question for the United Nations by virtue of Article 2, paragraph 7 of the Charter, the U.S. Delegate should state that even though primary responsibility for arriving at an agreement lies with the Netherlands authorities, the United Nations cannot fail to be deeply interested in the solution of problems that are of vital importance to the entire world, and that any problem relating to the maintenance of international peace and security would clearly

<sup>1</sup> For previous documentation on the Netherlands East Indies, see *Foreign Relations*, 1945, vol. vi, pp. 1158 ff.

<sup>2</sup> Paper prepared for the U. S. delegation to the United Nations General Assembly meeting in London. Edward R. Stettinius, Jr., was U.S. Representative at the United Nations.

be within the competence of the United Nations. The solution of the conflict in the Netherlands East Indies should be in harmony with the principles and ideals of the United Nations Declaration.

Due to the fluidity of the situation in the Netherlands East Indies and changing conditions from day to day no further statement concerning the position of the United States should be made without prior consultation with the Department.

### III. DISCUSSION

In bringing to a conclusion the war against Japan there was assigned to the South East Asia Command, on behalf of the Allies, the responsibility of accepting the Japanese surrender in the Netherlands East Indies, of disarming and removing the Japanese forces, of securing the surrender of Japanese equipment, of liberating or repatriating Allied prisoners of war, and of assuring the safety of more than 100,000 civilians, the majority of them women and children, who had been interned by the Japanese.

The carrying out of this mandate has been complicated by the differences between Indonesians and the Netherlands authorities and Indonesian nationalists, principally in Java, who have resisted the restoration of Netherlands Administration and proclaimed an Indonesian Republic. It has been necessary in connection with the Allied objectives for the troops under the South East Asia Command to assure such order as is necessary for their execution. In some of the Islands of the Netherlands East Indies, other than Java, Netherlands Administration has apparently been restored.

In connection with the responsibilities relating to the surrender of the Japanese in the Netherlands East Indies there was no thought so far as the United States was concerned of extending the Allied mandate beyond these specific responsibilities.

British military authorities had previously indicated that their task in the Netherlands East Indies was confined solely to carrying out the military measures stemming from the Japanese surrender. However, the local British Commander<sup>3</sup> has indicated that he believed that the United Kingdom had a "moral obligation" to bring about conditions of law and order under which further discussions between the Indonesians and the Dutch could take place. Responsible members of the Government in London have indicated a certain sympathy for the predicament of the Dutch. There has been evidence that a large section of the British public is concerned about the military measures necessary in the Netherlands East Indies.

The U.S. Government has stated publicly that it views with increasing concern the recent developments in the Netherlands East Indies.

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<sup>3</sup> Lt. Gen. Philip Christisen.



The United States has recognized that the primary responsibility for arriving at an agreement lies with the Netherlands authorities, as representatives of the territorial sovereign, and the Indonesian leaders (Department of State Press Release, No. 945, December 19, 1945<sup>4</sup>).

The seriousness of the problems which may be encountered will be affected by (a) the degree of success of the efforts of the South East Asia Command in accomplishing its objectives, (b) the degree of success in Dutch efforts to regain control in the Netherlands East Indies, (c) the strength and extent of the Indonesian self-government movement, (d) the applicability of Article 2, paragraph 7 of the United Nations Charter, (e) the prospect of open warfare and its concurrent effect upon international peace and security.

Up until the present time the policy of the Netherlands Government, as originally set forth in a speech of Queen Wilhelmina on December 6, 1942, has been that which proposed that the relation of the four parts (the Netherlands in Europe, Curaçao, Surinam and the Netherlands East Indies) of the Kingdom of the Netherlands to one another should be the subject of an Imperial Conference to make recommendations to be submitted for approval by the legislative bodies of the Kingdom. This policy has been restated in a recent proclamation by Hubertus Van Mook, the Acting Governor General of the Indies,<sup>5</sup> but has not been accepted by the Indonesian leaders. On September 27 the Indonesian Government offered to negotiate with the Dutch if the Allies participated, or to accept the return of the Dutch acting in an advisory capacity to an Indonesian Government if the "management" were approved by the United Nations. When the Dutch refused to negotiate with Soekarno<sup>6</sup> whom they had imprisoned as a leader of the movement before the war and whom they accused of being a Japanese collaborator, the Indonesians acquired more moderate leaders to represent them. Conflicting information indicates that these leaders, however, either have not been able or have not seriously attempted to control extreme insurrectionary factions. It may be assumed that conciliatory negotiations would change this situation, but there is no guarantee that such would be the case.

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<sup>4</sup> Department of State *Bulletin*, December 23, 1945, p. 1021.

<sup>5</sup> The text was transmitted to the Department by the Consul General at Batavia (Foote) in his despatch 8, February 1; received February 25. The despatch stated that the text "made little or no impression on the Indonesians at that time", because British military and American press sympathy "caused the declaration of policy to fall flat." (856E.00/2-146)

<sup>6</sup> On August 17, 1945, Soekarno was proclaimed "President of the Republic of Indonesia".

856E.00/1-546 : Telegram

*The Ambassador in the Netherlands (Hornbeck) to the Secretary of State*

SECRET

THE HAGUE, January 5, 1946—5 p. m.

[Received January 6—8 : 39 a. m.]

15. In recent conversation between a Secretary of the Emb and officer in charge Far Eastern Affairs Political Section FonOff, official stated that his Govt's plan to make public at this time its statement of policy re Neth East Indies had been discarded, there being fear that publicity now would lessen Van Mook's chances of negotiating successfully with Indonesian leaders: but that leading members of Neth Provisional Parliament would be informed in secret of Govt's program which has received Cabinet approval.

In more recent conversation, official said he would appreciate indication of personal reaction to suggestion that State Dept make public comment on Neth Govt's statement of policy: He expressed opinion that public comment by Dept to the effect that American Govt had been kept fully informed of recent conference between Dutch and Brit, that Neth Govt had made known its intentions to meet legitimate Indonesian aspirations, and that American Govt was favorably impressed with Neth proposals [that] would go far toward creating favorable atmosphere in which acceptable solution might be reached. In reply, opinion was expressed that there might be reluctance on Dept's part to comment on unpublished proposals, as any comment which Dept might make at present would, when Neth statement is eventually made public, be regarded in the Neth as support for Govt's proposals, which proposals will be criticized by left wing and extreme right wing parties.

In conversation yesterday official said that further consideration had been given to the matter with result that Ministry realized that Dept probably would be reluctant to comment while proposals remained unpublished. It being considered likely that as soon as Van Mook began negotiating in Batavia substance of proposals would leak out, Van Mook would be authorized to release statement in full should such contingency arise. At that moment Neth Govt would again consider approaching Dept through Ambassador Loudon with request for public comment.

Meanwhile, MinFonAff<sup>7</sup> asked me to call on him and afternoon January 4 outlined situation and project. He said Govt is confronted with dilemma between Parliament's desire to be fully informed and need for keeping statement of program secret until Van Mook begins negotiating at Batavia; Govt considering making a request for favor-

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<sup>7</sup> Eelco N. Van Kleffens.

able comment by Dept of State but realizes Dept would wish to have text before deciding. He requested my opinion and suggestions. I suggested he telegraph full text to Wash for info Neth Ambassador there and communication to Dept. I also inquired whether, if Neth Govt feels it desirable to request comment by Dept, he might not find it advisable first to consult with Brit Govt. Van Kleffens replied that he thought these suggestions valuable, he would telegraph the text, he would on January 7 be in London and confer with Neth Ambassador there, and he would keep me informed of developments.

I have ascertained from FonOff this morning that full text of the statement of policy is being telegraphed to Neth Ambassador Wash today. Also Van Mook's departure now scheduled for January 7 or 8.

Emb is of opinion that if in due course request is made for public comment by Dept a favorable response would be helpful in several obvious contexts.

HORNBECK

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856E.00/1-846 : Telegram

*The Ambassador in the Netherlands (Hornbeck) to the Secretary of State*

SECRET

US URGENT

THE HAGUE, January 8, 1946—4 p. m.

[Received 8:58 p. m.]

21. Dr. Van Roijen<sup>8</sup> called on me late last evening and gave me an extensive account of a recent development in relation to the situation in Netherlands East Indies wherein action taken by Admiral Mountbatten<sup>9</sup> has, in the opinion of the Dutch authorities, compromised the results which Dutch had thought achieved at conference at Chequers and has necessitated postponement of Van Mook's departure for Batavia pending further discussions, wherein Van Mook will advise the Netherlands Ambassador to Great Britain, with the British Govt.

Briefly stated, Mountbatten has given Helfrich<sup>10</sup> orders, which Helfrich is executing, which Van Mook and Netherlands Cabinet regard ill-advised, untimely, prejudicial to the forthcoming negotiations between Indonesians and Van Mook in favor of the former; and suggestive either of lack of coordination between attitude of British authorities at Chequers and that of Mountbatten's headquarters or of

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<sup>8</sup> Minister without Portfolio.

<sup>9</sup> Adm. Lord Louis Mountbatten, Supreme Allied Commander, Southeast Asia.

<sup>10</sup> Adm. C. E. L. Helfrich, Commander in Chief, Netherlands Forces in the Far East.



a change of mind on part of British Govt after return of Mr. Bevin <sup>11</sup> from Moscow.

Van Roijen said Netherlands Ambassador Washington being informed.

I have dictated memo giving condensed yet lengthy account; am holding pouch to take same forward today; <sup>12</sup> difficult further to condense contents; shall I telegraph text? <sup>13</sup>

HORNBECK

856E.00/1-1046

*Memorandum of Conversation, by the Chief of the Division of Northern European Affairs (Cumming)* <sup>14</sup>

TOP SECRET

[WASHINGTON,] January 10, 1946.

Subject: Status of Proposed Discussions Between Netherlands Government and Indonesian Leaders

Participants: Dr. Alexander Loudon, Ambassador of the Netherlands

Dr. H. N. Boon, First Secretary of the Netherlands Embassy

Mr. John D. Hickerson, Deputy Director, Office of European Affairs

Mr. Hugh S. Cumming, Jr., Chief, Division of Northern European Affairs

Yesterday Dr. Loudon telephoned me and said that he had been instructed to make a very important communication to the State Department. The Acting Secretary <sup>15</sup> and Mr. Matthews <sup>16</sup> being otherwise engaged, it was arranged that Dr. Loudon should call on Mr. Hickerson this morning. At Dr. Loudon's request I was present during the conversation.

Dr. Loudon opened the conversation by saying that he was calling on a very disagreeable matter resulting from exceedingly disquieting information which his Government had received from Java.

He said that before going further, however, he wished to hand Mr. Hickerson, for the top secret information of the Department, a copy

<sup>11</sup> Ernest Bevin, British Secretary of State for Foreign Affairs.

<sup>12</sup> Despatch 532, January 8, from The Hague, not printed.

<sup>13</sup> Telegram 42, January 12, 9 a. m., from The Hague (856E.00/1-1246), reported in condensed form the conversation of January 7.

<sup>14</sup> In telegram 41, January 17, 3 p. m., to The Hague, the Department reported this conversation and added: "During conversation with Loudon, care was taken not to be drawn directly or inferentially into area of apparent British-Dutch differences." (856E.00/1-1246)

<sup>15</sup> Dean G. Acheson, Under Secretary of State.

<sup>16</sup> H. Freeman Matthews, Director, Office of European Affairs.

of the statement of Dutch policy with respect to the East Indies which had been discussed at the recent meeting at Chequers between the British Prime Minister<sup>17</sup> and Dutch representatives. This document is attached hereto, marked "A".<sup>18</sup> In handing this document to Mr. Hickerson, Dr. Loudon also handed him a document attached hereto and marked "B"<sup>18</sup> which he said was to be considered as a record of an "oral communication".

Dr. Loudon then said that not only had Lord Mountbatten taken no steps to implement the decisions which had been reached in meetings in Singapore during December between British and Dutch officials with respect to the restoration of order in a limited area of western Java, but other incidents had taken place which deeply disturbed the Netherlands Government. For example, the British had given as a reason for delaying implementation of the Singapore decisions the desirability of allowing Shajrir<sup>19</sup> to take an extensive tour through Java to discuss matters with local leaders; the British had provided an RAF plane for the purpose of bringing the Indonesian Governor of Sumatra to Java for a discussion of the situation with Shajrir; and another incident when the British allowed only 800 Dutch Marines to land in Batavia and returned the remaining 1,200 to Singapore solely because Shajrir's consent could not be obtained.

Dr. Loudon said that the foregoing incidents were serious enough in that they could not help but lead the Dutch Government to the conclusion that day by day the British were strengthening the hands of the Indonesian leaders to the detriment of the Netherlands Government's position: in addition to these incidents the British officials in Java were constantly discussing matters with the Indonesian leaders, but rarely informed the Dutch representatives of the nature or the outcome of these discussions.

Dr. Loudon with obvious feeling remarked that these circumstances, together with another which he would release in a moment, could not help but be taken seriously by his Government who felt that despite British recognition of the Netherlands as a territorial sovereign in the East Indies, the British were constantly putting his Government on the sideline and in a place second to the Indonesian leaders. He then said that on January 6 the British Ambassador at the Hague<sup>20</sup> had called on Dr. van Kleffens (the Dutch Minister for Foreign Affairs) and had given him the text of a telegram which the British Foreign Office had received from Lord Mountbatten. Lord Mountbatten's telegram quoted a telegram which he had sent to Admiral Helfrich severely castigating Helfrich over the burning of two kampongs by

<sup>17</sup> Clement R. Attlee.

<sup>18</sup> Not printed.

<sup>19</sup> Soetan Sjahrir, Indonesian "Prime Minister".

<sup>20</sup> Sir Neville Bland.



Dutch native troops in retaliation for alleged acts committed by natives of those kampongs against the Dutch troops. Lord Mountbatten had characterized this and other acts of the Dutch troops as "brutal reprisals contrary to my orders" and had demanded that Admiral Helfrich publicly disavow these acts by men under his command. Despite the tone of Lord Mountbatten's communication, Admiral Helfrich, as a loyal subordinate, had responded by making public an order to his troops a copy of which is attached hereto marked "C".<sup>21</sup> Dr. Loudon went on to say that in addition to reading to Dr. van Kleffens the text of Lord Mountbatten's telegram, the British Ambassador had gone on to read a telegram from the British Foreign Office in which he was instructed to say that the British Government was in entire agreement with and underwrote Lord Mountbatten's instructions to Admiral Helfrich and expected the Netherlands Government to do its utmost towards seeing that Admiral Helfrich's action would be in accord with the tenor of Lord Mountbatten's message.

Dr. van Kleffens, according to Dr. Loudon, told the British Ambassador that he was rather surprised at the tone and content of the communications that had just been read to him and said that he would have understood the British position better if the British had uttered a single word of disapproval of the barbarities committed by the Indonesian Extremists such as the murder, mistreatment and mutilation of Dutch men, women and children in the Indies. Nevertheless, the Netherlands Prime Minister<sup>22</sup> had immediately sent a telegram to Admiral Helfrich instructing him to comply with Lord Mountbatten's request while at the same time assuring the troops under his command that he thoroughly understood that they had been aggravated by months of cruelties committed by Extremists against their families.

After the interview between Sir Neville Bland and Dr. van Kleffens, the Dutch Cabinet had met and decided that the British actions had thoroughly undermined van Mook's position as a negotiator and that accordingly, it seemed doubtful whether he should return to Batavia at this time to undertake negotiations with the Indonesian leaders on the basis approved at the Chequers meeting.

Dr. Loudon asked that the foregoing be kept strictly confidential. He said that his Government wished the State Department to know that if the negotiations, which the State Department, in its public statement of December 19, had commended to both the Indonesian and Netherlands Government, were to break down, it would be as a result of the background which he had just outlined. He said that the Netherlands Government is ready and willing to start conversations

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<sup>21</sup> Not printed.

<sup>22</sup> Willem Schermerhorn.



with the Indonesian leaders at once, but, on the other hand, wondered if it could fruitfully negotiate with Shajrir so long as he and his associates were "pampered" by the British. He said that he was at a loss, as was his Government, to understand what was motivating British action: whether it was the outcome of some subtle and undisclosed policy of the British Government or whether it was simply the result of poor liaison between the British Government and Lord Mountbatten's headquarters.

Dr. Loudon then referred to a recent article in the *London Times* charging that there was a difference of opinion between van Mook and the Netherlands Government, and that the people of the Netherlands were not fully informed as to events in the East Indies. Dr. Loudon said that he could deny the statements made in this article; that the Dutch Cabinet had kept the Parliament fully informed; that there was no difference of opinion between van Mook and his Government; and that discussions had continued in the Indies during van Mook's absence in the Hague and in London.

Mr. Hickerson asked who was participating in the discussions in the Indies. Dr. Loudon said that he had not been strictly accurate in saying that discussions were continuing—what he meant to say was that contact was being maintained by the Indonesian leaders and Dr. van Mook's representatives. He added that his Government was up against a serious situation, a situation not caused by it or van Mook—and felt completely frustrated.

Dr. Loudon having concluded his narrative, Mr. Hickerson expressed the Acting Secretary's regret that illness had prevented his seeing Dr. Loudon and assured Dr. Loudon that he would take note of and communicate to Mr. Acheson all that Dr. Loudon had said. Mr. Hickerson said that he could not, of course, comment on the contents of the Dutch statement of future policy with respect to the Netherlands East Indies, nor could he comment on what Dr. Loudon had said, but that he did wish to read aloud the following sentence from the Department's public statement of December 19: "Extremist or irresponsible action—or failure to present or consider specific proposals can lead only to a disastrous situation." He said that with this statement in mind he felt that he could say in his personal capacity, but with full assurance that the Acting Secretary would approve, that the Department would regard a failure by the Dutch to present their proposals and proceed with negotiations with the Indonesian leaders as "disastrous".

Both Dr. Loudon and Dr. Boon seemed to be pleased with Mr. Hickerson's reply and intimated that they shared Mr. Hickerson's views.

HUGH S. CUMMING, JR.

*Note 1:* On the evening of January 15, after dinner at the Netherlands Embassy, the Acting Secretary, Mr. Acheson, in my presence, told Dr. Loudon that he most emphatically approved of the reply Mr. Hickerson had made to Dr. Loudon's representations on January 10. Dr. Loudon said that he was glad to hear this and that he had already reported Mr. Hickerson's comment to his Government.

*Note 2:* It will be noted that Dr. Loudon's conversation on January 10 follows very closely Ambassador Hornbeck's report of his conversation with Dr. van Roijen transmitted in the Hague's telegram no. 42, January 12.<sup>23</sup>

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856E.00/1-1546 : Telegram

*The Acting Secretary of State to the Consul General at Batavia*  
(Foote)

SECRET

WASHINGTON, January 15, 1946—8 p. m.

14. Hague reports Jan 12<sup>24</sup> that van Mook's return London Jan 7 occasioned by Mountbatten's orders to Helfrich re conduct Dutch forces Java. Dutch considered orders gave every advantage to Indonesians, deprived van Mook of any solid footing, humiliated Helfrich, reflected on his Dutch forces, and put Dutch in disadvantageous position on eve of critical negotiation. Dutch considered orders in bad faith, possibly result poor coordination Brit diplomatic authorities London and Mountbatten's HQ. Van Mook considerably upset.

On return Hague Jan 11 van Mook reported Brit assured implementation decisions reached Singapore and Chequers and departed Jan 12 Batavia via Cairo, where will get few days much-needed rest. Policy van Mook bringing is substantially program he stated in Nov 8 speech but more specific in some details.

Hague FonOff informs Amembassy reports continue arrive Hague that Brit enhancing prestige Nationalists with corresponding loss Dutch prestige. Dutch deny Brit claim of policy differences between those stated by Dutch and those pursued by van Mook.

Amembassy for first time detected indications pessimism in FonOff Hague re developing situation Java.

Dept will appreciate being kept currently informed development negotiations Batavia.<sup>25</sup>

ACHESON

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<sup>23</sup> Not printed, but see footnote 13, p. 792.

<sup>24</sup> Telegram 45, 4 p. m., not printed.

<sup>25</sup> Telegram 51, January 14, 5 p. m., from The Hague, reported the Netherlands Prime Minister had left for London in an attempt to clarify British policy, to enable Dr. van Mook to resume his trip from Cairo to Batavia (856E.00/1-1446).

856E.00/1-1746 : Telegram

*The Ambassador in the Netherlands (Hornbeck) to the Secretary of State* <sup>26</sup>

THE HAGUE, January 17, 1946.

[Received January 17—7:27 p. m.]

68. In yesterday's meeting of the Second Chamber, Mr. Logemann,<sup>27</sup> replying to criticism of Govt's handling of Indies problem, stated that Govt was prepared to accord "the nationalist conception a fully recognized status within the Kingdom", said the Indonesian question was an international question, so delicate that the Govt had been unable to inform the Second Chamber of everything that had happened and was to happen; denied that the Sahrir group should be looked upon as Jap puppets and declared that if negotiations with Sahrir were unsuccessful it would be serious but Govt would in that case be able to rely upon international approval to take such measures as would appear necessary; affirmed, with regard to refusal to let Netherlands troops operate in Java, that an open break with Allied [Force] could not be risked; stated that there would not seem to be any unanimity among Netherlands people with regard to attitude toward solution of the conflict and that Lieutenant Governor merely carried out Govt's policy; remarked with regard to publicity and press that communications were bad; said that in international sense Netherlands was rowing against the tide; said in conclusion it was no use to talk about what Netherlands had achieved in Indies—the Colonial relationship was outdated and world expected Netherlands to steer new course.

HORNBECK

856E.00/1-1746 : Telegram

*The Counsul General at Batavia (Foote) to the Secretary of State*

RESTRICTED

BATAVIA, January 17, 1946—10 p. m.

[Received January 18—11:05 a. m.]

18. Sjahrir called in representatives of the press and read the following statement to them yesterday afternoon:

"On the eve of coming events I think I must say one or two words to make clear our present position. There have been discussions in London between the British and the Dutch about Indonesia. Much has been said about these talks. But it must be clear to everybody that we, Indonesians, cannot pay much heed to decisions made about us, without us.

<sup>26</sup> Repeated by the Department as telegram 17, January 22, to Batavia.

<sup>27</sup> Netherlands Minister of Overseas Territories.



We have declared our independence and we consider our Republic as the true expression of our people's will. No agreement secret or open concerning the position of our country can we consider as binding for us, unless we ourselves being one of the parties actively framing it.

Nevertheless we recognize the necessity of coming to an understanding with all parties interested in the destiny of Indonesia. We want a peaceful settlement of all difficulties raised by our struggle for freedom.

So we are anxious to consider every approach to our present position of a free nation.

We are willing to consider and to welcome R. [Dr.] Van Mook as the first envoy of a foreign but well-known country to discuss with us, we hope, in a most friendly way the Dutch interests and the Dutch point of view.

But we consider it necessary to point out that in times to come as a free nation living among all other free nations of the world, we cannot and we may not make fundamental difference between the Netherlands and the other nations of the world.

We are as eager to come to an agreement with the Netherlands about the Dutch interests in Indonesia as with England, the United States, Australia, China, France, et cetera, in fact with the whole world about their respective interests in our country.

We know that the geographical, economic and strategic position of our country lay great responsibility upon us to the entire world, especially to the countries in Southeast Asia and around the Pacific.

That's why we think no settlement of our present problems with the outer world can be definitely reached, unless it is made by joint agreement of the United Nations and us, at least by the leading powers of this world organization—say, the US and Britain for our part of the world—with us and other parties involved.

We fervently hope that the United Nations, who are in session now in London can take steps in this direction. We are as interested in a quick and peaceful solution of our problems as everybody else."

In connection with the above the Department's attention is invited to my telegram No. 14, January 13. [14].<sup>28</sup> Additional comments will follow in secret code.<sup>29</sup>

FOOTE

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856E.00/1-1846

*Memorandum of Conversation, by the Chief of the Division of Northern European Affairs (Cumming)*

SECRET

[WASHINGTON,] January 18, 1946.

Dr. Loudon called on me this morning by appointment made at his request. He said that he had been instructed to communicate the following to the Department orally:

In a public statement dated December 19th 1945 the Acting Secre-

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<sup>28</sup> Not printed.

<sup>29</sup> Telegram 19, January 19, 11 p. m.; see extract quoted in Department's telegram 57, January 24, to The Hague, p. 801.

tary of State expressed "that the United States cannot fail (however) to be deeply interested in the solution which may be achieved of problems that are of vital importance to the entire world". It was stated moreover that the sole desire of the United States "is to see such peaceful settlement achieved as will best promote world stability and prosperity and the happiness of people". The statement went on to say that "such a settlement can be attained only through a realistic, broad-minded and cooperative approach on the part of all concerned and a will to reconcile differences by peaceful means". In the concluding sentence of the fifth paragraph of the statement it was said that "extremist or irresponsible action—or failure to present or consider specific proposals can lead only to a disastrous situation".

It is supposed that from the above can be deduced that the United States Government is interested in constructive proposals tending to achieve a solution as envisaged in the aforementioned paragraph five of the statement of December 19.

Recently, the Netherlands Government has unofficially informed the State Department of a specific, constructive and far reaching plan endeavouring to achieve a peaceful solution with regard to the situation in the Netherlands East Indies and to be presented to the Indonesian leaders as a basis for discussions.

It is submitted that if, in the interest of the solution of problems that are of vital importance to the entire world, the constructiveness of the plan should be publically recognized upon its publication by the Netherlands Government, earnest consideration of the plan by Indonesian leaders will be greatly promoted, while at the same time the present state of unrest may well be remedied.

On the other hand it is to be feared that the absence of any public acknowledgement of the constructiveness of the specific proposals as presented to the Indonesian leaders, will encourage further extremist and irresponsible action and consequently impede the responsible Indonesian leaders, apart from the danger of a continuance if not further deterioration of the present situation.

I recalled to the Ambassador that last week both Mr. Hickerson and I, and again on January 15 at dinner at the Netherlands Embassy, the Acting Secretary had told him that the Department could not commit itself now to making any comment on the Dutch proposals when they were made public and in fact doubted both the propriety and the wisdom of any such comment. I said that in view of this I could only say that I would take note of his oral communication and pass it on to my superiors for their information and consideration at the time the Dutch proposals were released to the public.

The Ambassador seemed to be perfectly satisfied with my reply.<sup>30</sup>

HUGH S. CUMMING, JR.

<sup>30</sup> In telegram 72, January 18, from The Hague, Ambassador Hornbeck reported a conversation with the Acting Minister for Foreign Affairs, who stated his Government hoped both the American and British Governments would be willing to make favorable public statements in regard to the Netherlands policy statement. He stated also that the London conferences had resulted in British reaffirmation of the Chequers position on the East Indies. (856E.00/1-1846)



856E.00/1-1546 : Telegram

*The Acting Secretary of State to the Ambassador in the Netherlands  
(Hornbeck)*

RESTRICTED

WASHINGTON, January 18, 1946—6 p. m.

45. Urtel 23, Jan. 8; and 53, Jan 15.<sup>31</sup> Following is Combined Chiefs of Staff's published statement Jan 6:

"Since participation of United States forces in the India-Burma campaign has ended and the United States does not envisage participating in the future operations incident to the disarmament of Japanese troops and the restoration of civil government in the territories under SEAC, the Combined Chiefs of Staff consider that it is no longer necessary from the military point of view for Admiral (Lord Louis) Mountbatten (Supreme Allied Commander), to retain a fully integrated British-United States headquarters.

Therefore, United States representation at SEAC will henceforth be limited to inter-theatre liaison."

Dept informed this was implementation of decision taken last Sept, was natural development in area where have been no US combat forces since last June. Dept has no explanation for delay in announcement, but no significance attached to announcement coming at this time.

ACHESON

856E.00/1-2346 : Circular telegram

*The Acting Secretary of State to Certain Diplomatic and Consular  
Officers*<sup>32</sup>

RESTRICTED

WASHINGTON, January 23, 1946—8 a. m.

On Jan 15, 1946 Dept informed Acting Secretary of War that it is not in accord with policy this Govt to employ American flag-vessels or aircraft to transport troops of any nationality to or from Netherlands East Indies or French Indochina nor to permit use of such craft to carry arms, ammunition or military equipment to these areas.<sup>33</sup>

ACHESON

<sup>31</sup> Neither printed.<sup>32</sup> At Bangkok, Batavia, Colombo, Chungking, London, New Delhi, Paris, Singapore, and The Hague.<sup>33</sup> In circular telegram of February 21, midnight, to the same posts, the Department reported its further memorandum on February 14 to the War Department that the purpose of the policy "is to prevent use of American vessels or aircraft" in transporting military units and supplies "for military use in those areas." (856E.00/2-2146)



856E.00/1-1946 : Telegram

*The Acting Secretary of State to the Ambassador in the Netherlands (Hornbeck)*<sup>34</sup>

SECRET

WASHINGTON, January 24, 1946—5 p. m.

57. Following is extract of Batavia's 19, Jan 19: "The 3 weeks' lull in Batavia shattered yesterday with news States General sending committee to investigate Van Mook's conduct of NEI affairs.<sup>35</sup> British military alarmed and regard move as error, delaying if not killing hopes of Dutch-Indo compromise, weakening Sjahrir's and other moderates' position and strengthening hands extremists. Sjahrir's statement he would receive Van Mook only as envoy of foreign government was not regarded as important but as typical oriental bargaining. As delay continues Sjahrir becoming more nervous, Soekarno more fiery, and extremists of east and central Java more threatening in regards safety of thousands internees, chiefly women, children who cannot be rescued and who may be butchered if rescue attempted. British military say this greatest problem facing them. Sjahrir has personal bravery and is trying gain more Indo support for his moderate ideas but current news and continued delays weaken his hand.

Up to present nearly every British statement or action has played into or favored Indo's hands, local British military are openly anti-Dutch, bad feeling here between British and Dutch is wide and deep but may improve, world press appears favor Indos despite fact that about 20,000 already butchered. These facts and recent news from Netherlands have weakened Van Mook's hands and aroused deep wave of pessimism re future of Java and Sumatra. [Foote]"

ACHESON

856E.00/1-2646

*The British Ambassador (Halifax) to the Secretary of State*<sup>36</sup>

SECRET

No. 60 (18/92/46)

His Majesty's Ambassador presents his compliments to the Secretary of State and has the honour to transmit to Mr. Byrnes for the confidential information of the United States Government the text

<sup>34</sup> Repeated to London as telegram 821.

<sup>35</sup> Telegram 76, January 18, from The Hague, reported that a proposal by a Catholic member of the Netherlands Second Chamber to send a commission composed of parliamentary members to investigate prevailing conditions in the East Indies had been voted by 49 to 30, despite opposition of the Minister of Overseas Territories (856E.00/1-1846).

<sup>36</sup> The Secretary of State acknowledged this note without comment on February 6.

of the directive which was issued to Sir Archibald Clark Kerr on January 25th with regard to his mission to Batavia.<sup>37</sup>

*Begins.*

(1) You are appointed as special Ambassador to proceed on a temporary mission to Batavia. Your mission will be to keep His Majesty's Government informed of political developments in the Netherlands East Indies and to assist in every way possible towards a solution of the present political difficulties between the Netherlands Government and the Indonesian Nationalists.

(2) British forces are in the Netherlands East Indies under Allied arrangements made at the time of the Japanese surrender with the specific tasks of disarming, concentrating and evacuating the Japanese forces and rescuing and evacuating Allied prisoners of war and internees. In an agreement embodied in an exchange of notes between His Majesty's Government and the Netherlands Government on August 24th, 1945 it was provided that the Netherlands Indies Government would resume as rapidly as practicable full responsibility for the civil administration of Netherlands Indies Territory.

(3) Political difficulties have, however, created a situation far different from that which was at first contemplated and have involved the British forces in responsibilities for the maintenance of law and order without which their primary tasks could not be accomplished.

(4) The result has been a heavy and unexpected military commitment which has undesirable consequences both on the manpower situation in this country and insofar as Indian troops form a large proportion of the British forces in the Netherlands East Indies on the Indian political situation.

(5) It is not the desire of His Majesty's Government to concern themselves with constitutional issues between the Netherlands Government and the people of the Netherlands East Indies but they are vitally concerned with the consequences of a continued failure to reach a settlement of these political issues and in particular with the lawless conditions arising therefrom which are causing a mounting toll of lives both among the British forces and among the peaceful inhabitants of the Netherlands East Indies.

(6) A speedy solution is of the greatest importance both to the fulfilment of the military tasks laid upon His Majesty's Government and for the peace and welfare of the Netherlands East Indies and of

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<sup>37</sup> In telegram 19, January 23, 3 p. m., to Batavia, the Department had advised that information from The Hague indicated that the Netherlands welcomed this appointment and had instructed Dr. van Mook to remain in Cairo until January 23 (856E.00/1-1946). Sir Archibald was retiring from his post as Ambassador to the Soviet Union.



South-East Asia in general. It is with the object of working towards such a solution that His Majesty's Government have decided to entrust you with your present mission. While the constitutional issues at stake are matters for direct agreement between the Netherlands Government and the Indonesian Nationalist leaders you should seek every opportunity to encourage and facilitate such an agreement. Your good offices should be constantly available for this purpose and you need not hesitate to take the chair, if desired, at meetings between the Netherlands authorities and the Indonesian leaders. You have been furnished with copies of the constitutional proposals of the Netherlands Government for the Netherlands East Indies contained in the broadcast made by Her Majesty The Queen of the Netherlands on December 6th, 1942, in Dr. van Mook's statement of November 6th, 1945 and in the programme communicated to His Majesty's Government at the Chequers' meeting of December 27th, 1945. His Majesty's Government consider that these proposals are very liberal and that they ought to offer a fair and reasonable basis of settlement. You may therefore urge the Indonesian leaders to give them the most earnest and favourable consideration.

(7) You will be responsible to, and will in all matters communicate with, me.

(8) Military and administrative authority in the Netherlands East Indies is vested in the Supreme Allied Commander, South-East Asia and through him in the local Force Commander. The Force Commander is being instructed to comply with such advice on political matters affecting the Netherlands East Indies as you may tender to him, unless on purely military grounds he feels it necessary to refer to the Supreme Commander.

(9) In all your activities you will bear in mind that, as stated by the Prime Minister in the House of Commons, the Netherlands are recognised by His Majesty's Government as the sovereign power in the Netherlands East Indies. Arrangements are being worked out to set up as soon as possible joint British-Dutch staff machinery with a view to ensuring that agreement should be reached locally so far as possible in reports and recommendations to the two Governments and on directives issued to the local commanders.

(10) In fulfilment of the general policy set out in paragraph 6 you will of course be accessible to responsible Indonesian elements and will cultivate as wide contacts as possible among the different sections of the communities in the Netherlands East Indies.

*Ends.*

WASHINGTON, January 26, 1946.



856E.00/1-2646 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State* <sup>38</sup>

SECRET

RUSH

BATAVIA, January 26, 1946—11 p. m.

[Received January 27—12:36 p. m.]

31. General Christisen relieved of his command here. Members British General Staff informed me today this means firmer attitude towards Indonesians and stern methods to break present hopeless impasse, restore law and order and bring Dutch-Indo agreement. He is alleged to be anti-Dutch. This may not be true but his soft attitude and gentle methods in dealing with Indos allegedly led to much of present chaos. Dutch are also cleaning house: Admiral Helfrich returning Netherlands in near future; Generals Van Oyen, Van Straten, Uhl and Schilling all relieved of duty in Netherlands East Indies. Schilling will head Dutch Military Mission in Tokyo.

These changes may brighten prospects for Van Mook-Sjahrir agreement but it is too early to draw conclusions. Van Mook reported very pleased since his relations with Christisen were not too happy.

Van Mook reported arrived Batavia late today but I have not yet seen him.

FOOTE

856E.00/2-746

*Memorandum of Conversation, by the Director of the Office of Far Eastern Affairs (Vincent)*

[WASHINGTON,] February 7, 1946.

Participants: Charles E. Bohlen <sup>39</sup> (in London);

John Carter Vincent, FE;

Hugh S. Cumming, NOE;

Abbot Low Moffat, SEA.<sup>40</sup>

Mr. Bohlen telephoned from London to state that the Ukrainian resolution [*letter*] on Indonesia <sup>41</sup> was coming up at five o'clock (London time) in the afternoon and that Mr. Stettinius was very

<sup>38</sup> Repeated by the Department as telegram 75, January 30, 5 p. m., to The Hague and as No. 1030 to London.

<sup>39</sup> Assistant to the Secretary of State for White House liaison.

<sup>40</sup> Chief, Division of Southeast Asian Affairs.

<sup>41</sup> For text of Ukrainian letter submitted to the President of the UN Security Council on January 21, see United Nations, *Official Records of the Security Council, First Year, First Series, Supplement No. 1*, p. 76. In the opinion of the Ukrainian Government, the military operations in Indonesia participated in and controlled by "regular British troops" created a situation constituting "a threat to the maintenance of international peace and security" under Article 34 of the Charter. The Council was asked "to carry out the necessary investigation and to take the measures provided for by the Charter in order to put an end to the situation that has arisen."

anxious to know whether the Secretary approved the view of the delegation that we should take the same position with regard to Indonesia as had been taken with regard to Greece;<sup>42</sup> that the presence of British troops in Indonesia does not constitute a threat to international peace and security.

He was informed that the Secretary approved the suggested position and that a telegraphic reply to DelUn 232<sup>43</sup> had already been signed by the Secretary but was awaiting this telephone call before despatch.<sup>44</sup>

Mr. Bohlen said that everyone hoped that a solution on the Indonesian resolution could be had without a battle such as was involved in the Greek resolution and he read a statement which Mr. Stettinius proposed to give at the conclusion of the Council discussion (copy attached).<sup>45</sup> Mr. Bohlen explained that this statement was based on the belief that the British and Dutch views were similar to ours; that if they should prove different some modifications in the language of Mr. Stettinius' statement would have to be made. He stated that Mr. Cohen<sup>46</sup> was in full accord.

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[Security Council consideration of the Ukrainian letter began at the February 7 meeting and continued through meetings on February 9, 10, 11, 12, and 13. Most of the discussion revolved around the question of whether there should be a commission created by the Council to investigate the situation in Indonesia (a proposal formally moved by the Ukraine on February 11). This proposal and two related ones presented by Egypt and the Soviet Union were lost in voting taken on February 13, and the matter was then considered closed.

The only statement of substance made by the United States Representative was based on the one under discussion in the above memorandum and occurred on February 11; see United Nations, *Official Records of the Security Council, First Year, First Series, No. 1*, pp. 235-237. In the essential portion of his statement Mr. Stettinius said:

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<sup>42</sup> For documentation regarding the Greek case before the Security Council, see vol. VII, pp. 99-115, *passim*.

<sup>43</sup> February 5, from London, not printed.

<sup>44</sup> This reply was sent to London in telegram 1286, UNdel 176, February 7, 1 p. m.; it said in part: "U.S. position in Dec 26 paper (USGA/Gen/26 [29]) is unchanged. Issue raised by Ukraine however is not directed at substance of Dutch Indonesian situation but at use of British military forces in Netherlands East Indies. I approve your suggestion we take position that presence British troops for purposes outlined in [Dept] Press Release December 19 does not constitute situation endangering international peace and security." (501.BB/2-546)

<sup>45</sup> Not attached to file copy of this document.

<sup>46</sup> Benjamin V. Cohen, Counselor of the Department of State, and a senior adviser on the U. S. delegation to the General Assembly.



"Without going into the question of the Security Council's jurisdiction in this case, I must state frankly that I do not believe that it has been made clear to the Council that a constructive purpose is to be served by an investigation. We know that negotiations between the Netherlands Government and the Indonesian leaders have already begun, and I am sure that the best hope for the settlement of this unhappy situation, and for the elimination of any possibility for a renewal of armed strife in that troubled area, lies in the successful and prompt completion of these negotiations. It would indeed be a serious responsibility for the Council to take any action which might prejudice or retard the outcome of these negotiations. . . ." (*ibid.*, pp. 236 and 237.)]

856E.00/2-846 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State* <sup>47</sup>

SECRET

BATAVIA, February 8, 1946—10 a. m.

[Received February 9—2:45 p. m.]

42. General Stopford <sup>48</sup> and Clark Kerr arrived, created fine impression, confidence and some optimism. Stopford appears good soldier who will not hesitate carry out orders and Clark Kerr impressed Indos as frank, kind and firm. Sjahrir after first talk rushed to Djocja to lay facts before Soekarno, Hatta <sup>49</sup> and other leaders. Am reliably informed Sjahrir so impressed he will urge others seek agreement rather than lose all. Sjahrir said he or Soekarno probably be chief Indo delegate but general belief is Sjahrir will act. My impression is Clark Kerr and Stopford will be firm, unwavering and not tolerate stalling by Indos. If so, Dutch-Indo agreement is possible. Van Mook is more cheerful than for many months which is always good sign but fact is real negotiations not begun.

Have talked with Clark Kerr, Van Mook and Stopford and they promised keep me informed of developments. Clark Kerr went further and volunteered to inform me of every phase of negotiations. He asked me how long I thought negotiations would continue and when I replied anywhere from few weeks to many months he said he would not stay here many months. Whatever outcome may be, Sjahrir has difficult task ahead because of opposition of extremists who causing trouble for Sjahrir Cabinet.

FOOTE

<sup>47</sup> Repeated by the Department as telegram 106, February 12, 5 p. m., to The Hague.

<sup>48</sup> Lt. Gen. Sir Montague Stopford, British Commander, Allied Forces, Netherlands East Indies.

<sup>49</sup> "Vice President, Republic of Indonesia".



S56E.00/2-846 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

SECRET

BATAVIA, February 8, 1946—midnight.

[Received February 12—1:45 p. m.]

45. Talks with Indo leaders show aims of Sjahrir Govt are confused because of opposition of various groups. Basically it is Communistic: Some groups desire Govt own all European plantations and industries, partly by confiscation and partly through purchase. None has definite idea how to apply such beliefs. While Sjahrir believes Communism, he doubts ability apply and enforce it because of fear pressure from other countries. There is no doubt Sjahrir's Govt floundering in hope formulate aims acceptable to USA and others.

FOOTE

S56E.00/2-946 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

RESTRICTED

BATAVIA, February 9, 1946—noon.

US URGENT

[Received February 12—3:42 p. m.]

47. Van Mook informed me that a statement of policy will be released probably in the afternoon February 10.

The document quotes the Queen's speech of December 6, 1942, and says the Government of the Netherlands declare it to be their considered policy that the people of Indonesia must eventually decide freely their political destiny.

Fully conscious of their responsibility, the Government of the Netherlands consider it to be their duty to do everything in their power to create or to fulfill as soon as possible the conditions which will make such a free decision possible and acceptable internationally thereby acquitting themselves of their obligation under article 73 of the Charter of the United Nations.

At the same time, the Netherlands Govt express as their conviction that finally the well being of the country and of the several peoples thereof will be best served by the voluntary continuation of commonwealth in which the Netherlands, Indonesia, Surinam, and Curaçao will participate with complete self-reliance and freedom of conduct regarding its internal affairs but with readiness to render mutual assistance.

With this in view, the Netherlands Government propose to consult with representative leaders of Indonesia elected from all important parts and groups and to plan together a new organization of the Kingdom and of Indonesia, which will be based on democratic partnership.

This new organization is to be maintained for a limited period believed to suffice for the fulfillment of the conditions for the free decision referred to above. At the end of this period, the partners shall decide independently about the continuation of their [relations] on the basis of a then complete and voluntary partnership, any difference of opinion as to the question whether the period should be extended before a free decision is possible, shall be solved by a procedure of conciliation or, if necessary, by arbitration.

The consultation referred to above will cover the following main points:

1. There shall be a Commonwealth of Indonesia, a partner in the Kingdom; the Commonwealth shall consist of countries with a varying measure of self-government.

2. An Indonesian citizenship shall be established for all those born in Indonesia; Netherlands citizens and Indonesian citizens shall exercise full civic rights in all parts of kingdom.

3. The internal affairs of the Commonwealth of Indonesia shall be entrusted to the administrative organization of the Commonwealth itself. For the Commonwealth as a whole are suggested a representation of the people (Parliament), constituted in a democratic way and, therefore, containing a substantial majority of Indonesian members; a Cabinet consisting Ministers who are in political agreement with the representative body; and a representative of the Crown as head of the government.

4. The constitution, which shall embody this new organization, shall furthermore guarantee the fundamental rights such as freedom of religion, equality before the law without regard to creed or race, protection of life and property, independence of the judicature, protection of the rights of minorities, freedom of education, freedom of opinion and of the expression thereof.

5. In order to be in a position to fulfill the obligations imposed upon the Kingdom by article 73 of the Charter of the United Nations, the representative of the Crown, under the authority and responsibility of the Government of the Kingdom, shall have special powers to guarantee the fundamental rights, a sound administration and sound finance; these special powers are only to be applied if these rights and interests are violated.

6. The central governmental organizations having authority over the Kingdom as a whole, shall be composed of representatives of all the parts of the Kingdom. A Cabinet for the whole kingdom is suggested, consisting of Ministers from all parts of the Kingdom and legislation for the Kingdom, to be enacted in conformity with the Parliaments of those parts.

7. After the new organization will have become operative, the Netherlands Government shall promote a speedy adoption of the Commonwealth of Indonesia as a member of the United Nations Organization.

Full text by air mail.<sup>50</sup>

FOOTE

<sup>50</sup> In despatch 18, March 22, from Batavia, the Consul General transmitted texts of documents exchanged between the Dutch and Indonesians on February 10 and March 14, respectively (S56E.00/3-2246).



856E.00/2-1146 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*<sup>51</sup>

SECRET

BATAVIA, February 11, 1946—midnight.

[Received February 12—1:31 p. m.]

49. Clark Kerr told me today that he, Van Mook and Sjahrir met in most cordial atmosphere yesterday over old-fashioned Javanese rice table. Sjahrir presented full powers approved by Sockarno and Indonesian Cabinet. Van Mook furthermore had clear instructions from The Hague. Purpose of meeting was to determine who should attend the various conferences and to agree on publicity policy. Publicity will probably be communicated through joint press releases or conferences in order preclude mutual mud-slinging.

Reports received by me today from all parts Sumatra, especially west coast, indicate natives, including leaders, most anxious Sjahrir reach agreement with Dutch in order work in oil fields and plantations be resumed soon. Sjahrir's strength in Sumatra and west Java probably helped secure him full powers at Djocja. Sjahrir has made strategic move in appointing as his political adviser Thehadji [*Hadji Agoes*] Salim, one of most influential Moslem leaders of Indonesia. Salim, hitherto an Extremist demanding full sovereignty, stated at first press conference his preference for agreement with Dutch. Increased optimism in Batavia followed week-end developments.

During personal visit at my office Clark Kerr said that in addition to proposals listed in my telegram 47 of February 10 [9] he will have included at a later date a provision for political amnesty.

FOOTE

856E.00/2-1346 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*<sup>52</sup>

SECRET

BATAVIA, February 13, 1946—11 p. m.

[Received February 14—12:45 p. m.]

51. At second meeting of Dutch and Indonesians held at Clark Kerr's residence yesterday evening, Sharir accepted the proposals mentioned in my telegram 47 of February 9 as the basis of discussion. He had discussed all these proposals with certain members of Cabinet and other Indonesian leaders. He did not reject any one proposal but asked additional information on a few points mostly of minor importance. He raised the question of the length of the transition

<sup>51</sup> Repeated by the Department as telegram 109, February 13, 5 p. m., to The Hague and as 1488 to London.

<sup>52</sup> Repeated by the Department as telegram 118, February 18, 1 p. m., to The Hague and as 1599 to London.



period but indicated that there would be no trouble in reaching an agreement since he is trusting in the sense of justice of Clark Kerr. He also drew attention to fact that the army is not mentioned in proposals but was assured by Van Mook that an agreement on these basic proposals would easily lead to a satisfactory one regarding the armed forces. Van Mook told me today that political amnesty clause will be included in agreement and that its terms will be decided upon before end of negotiations.

Clark Kerr told me today that he felt much more optimistic concerning outcome of negotiations and that he knew Van Mook's optimism had risen greatly. He said that he has very genuine respect for ability of Sharir and confidence in his integrity. Van Mook also expressed confidence in Sharir, and latter has voiced not only confidence in, but personal friendship for, Van Mook.

Clark Kerr has impressed on Sharir the advisability if not necessity of quick agreement in order to begin the reconstruction so badly needed throughout Java. Some circles believe that 2 months may be required but others believe it will be reached much sooner. I have heard no adverse reaction even from Dutch concerning proposals.

FOOTE

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856E.00/2-1446 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*<sup>53</sup>

SECRET

BATAVIA, February 14, 1946—midnight.

[Received February 15—9:50 a. m.]

53. In private talk at Sharir's home tonight he expressed no hope whatever for success of negotiations. He said that if he accepted Dutch proposals he would be let out at once; that they provide only for Dutch domination; liquidation of the Republic of Indonesia; gave new names to old things and that the word "commonwealth" as used therein has no meaning. He added Indonesia has no interest in proposed Kingdom cabinet and parliament but would accept status similar to Australia's in British Empire. He concluded saying Dutch proposals so unacceptable as a whole that it is impossible now to discuss details.

My opinion is Sharir is searching for arguments to present to Indonesians in support of agreement. In fact he asked Clark Kerr and Van Mook for such and he appeared anxious learn our reactions to Dutch proposal. On other hand I believe Clark Kerr's rank and prestige gave Indonesians more self-confidence and caused them believe British seeking desperately solve problem. Belief that British will

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<sup>53</sup> Repeated by the Department as telegram 115, February 16, 4 p. m., to The Hague.

not fight and Dutch unable do so may cause Indonesians stiffen attitude and increase demands. Sharir may also hope USA in defense its trade and industries may bring some pressure on Dutch. Situation is still confused to evaluate remarks or predict actions.

FOOTE

S56E.00/2-1746 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*<sup>54</sup>

SECRET

BATAVIA, February 17, 1946—4 p. m.  
[Received February 18—10:17 a. m.]

56. Hadji Salim, Sharir's political adviser, told me last night as follows:

Independence is definite aim and status of colony must be avoided; if so recognized, the Indos are ready to enter into "far-reaching treaty with Dutch" which will protect fully their industrial and other interests here but the present proposals are entirely unacceptable. Sharir is Communist but when he entered present office, he was required by Soekarno to swear allegiance to the Indonesian Socialist Party. He added that Communism had only small following here, that it is not suited to Indonesians and that class struggle is impossible among them. Salim drove Communists from his party in 1922 for those reasons. Since he is old, well-educated, much travelled man and well-known Moslem leader, Soekarno appointed him to advise and perhaps curb Sharir. Indonesians interpret presence Britain's junior diplomats indicating desperate attempt to solve problem without use of force and consequent unfavorable reactions of world opinion while in fact Clark Kerr's arrival stiffened opposition to proposals and intellectuals of Java are flooding Sharir with telegrams urging him not to accept Dutch proposals. He stated frankly opinion growing that British will not fight Indos, that Dutch too weak to enforce their aims alone and that they have only to stand firm in demand for independence. This opinion gaining ground among many Europeans. He said that Van Mook in talks thus far speaks only of economics of this country while with Indonesians the matter is purely political; the word freedom has become such a slogan and has so permeated the minds of the people that only independence is acceptable and economics can wait.

Salim said he was realist and had little faith in UNO and that situations in British India and Indochina did not interest his people since they are realists seeking their own welfare and freedom.

FOOTE

<sup>54</sup> Repeated by the Department as telegram 125, February 20, 6 p. m., to The Hague and as 1710 to London.

856E.00/3-646 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*<sup>55</sup>

SECRET

BATAVIA, March 6, 1946—11 p. m.

US URGENT

[Received March 7—10 : 40 a. m.]

83. See mytel 76, March 1.<sup>56</sup> Sharir returned from Djocja March 4 and made following statement:

“My position is stronger than when I left. I now have full authority carry on negotiations and need no longer continuously consult Djocja Karta. Negotiations can now begin. Six or seven parties will be represented in Cabinet which not yet formed. Cabinet members will be announced within few days.”

Queried re resolution adopted at Djocja Karta that “discussions to be on basis hundred percent freedom and independence”, he replied vaguely that “it is to considerable extent a question of how this is construed”.

Following is gist of the resolution adopted by national committee at Djocja, which is Sharir’s mandate to negotiate:

Carry on negotiations on basis of recognition of Republic of Indonesia; prepare for defense of republic in military, social and economic matters; prepare democratic basis for Central and Provincial Govts; provide for maximum distribution of food and clothing; important enterprises, industries, etc. to [be] put under government supervision.

Saw Van Mook yesterday and found him pessimistic re future and bitter towards United States and Great Britain for permitting 120,000 armed Japs to remain at large in NEI, some of whom joining in terroristic activities of extremists and others training Indo troops while Dutch troops prevented from landing or taking effective action. He described situation “more up in the air, more nebulous than ever and decidedly wooly”. In addition expressing no hope for success of negotiations, he pointed out Indos making all-out effort to prepare for war while Dutch not permitted to prepare.

I discussed situation with Clark Kerr today and [found] him nearly as pessimistic. He said he intended to leave Java within 3 weeks. He said in informal talk with Sharir last night, following occurred: Sharir wanted another week before renewing talks; Clark Kerr objected but agreed on 4 days’ delay; he told Sharir Indos’ demand for independence as stated in mandate was folly; Sharir said he would not demand nationalization of all industries but old ones would be subjected to some government supervision while new ones would be subject still more control.

<sup>55</sup> Repeated by the Department as telegram 169, March 8, 8 p. m., to The Hague and as 2151 to London.

<sup>56</sup> Not printed; it reported uncertainty of political situation (S56E.00/3-146).



Djocja meeting Indo party leaders described as chaotic uproar. Tan Malaka, Communist leader, offered seat at assembly sessions and invited attend conference party leaders but refused both. He likewise refused Soekarno's invitation attempt to form new cabinet. I see no hope now for success of talks at Batavia since such would mean complete about-face for Indos.

While I was drafting this telegram, Sharir telephoned that he wished me visit him tomorrow night at his home. Further comments will be reserved pending this meeting.

FOOTE

856E.00/3-846 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State* <sup>57</sup>

SECRET

BATAVIA, March 8, 1946—11 p. m.

[Received March 9—2:51 p. m.]

84. Reference last paragraph my telegram 83, March 6. In long talk at Sharir's house last night, he sought my advice on following: Attitude our Govt re Dutch proposals; nature of American public opinion re Indo movement, if it had changed or might change and if so why. He asked me to speak frankly and not pull punches. I replied I had no information re our attitude towards Dutch proposals; that our attitude is neutral; that our Govt and American people wish well for all peace-loving people; that we desired Indo people gain peace, good standard of living, better education and general advancement; that we trying change from war to peace production and that 140 millions Americans need raw materials which now held up by strife in Netherlands East Indies. I added that US ready to buy great quantities all goods which would assist rehabilitation Netherlands East Indies industries and make possible supply of consumer goods needed here but that I feared continued strife would result in great delay and further chaos, deterioration, hatred, famine, disease, bloodshed and losses to all. He replied that such would be the unhappy results which would not gain friends but might cause loss thereof, that he was last person to desire Java stained with blood and that he would endeavor reach some agreement satisfactory both parties.

With reference possibility of Dutch-Indo agreement, Sharir said words "Indonesian Republic" had gained strong hold in minds of all leaders and was high hurdle which must be jumped, even if in name only. Once over it he could proceed easily and reach agreement without great delay. I suggested if that was only difficult

<sup>57</sup> Repeated by the Department as telegram 172, March 12, 1 p. m., to The Hague and as 2708 to London.

hurdle why not change the name. Then later in the evening Hadji Salim, Sharir's political advisor, arrived and suggested name be changed to "Nusantara" which was ancient name of Netherlands East Indies. Consideration may be given thereto.

During the talk, I was impressed by Sharir's earnestness and insight into difficulties and left him feeling more optimistic re efforts solve problems and provide raw materials needed by our industries. On leaving he said he would urgently request Soekarno visit Batavia soon and asked me repeat same remarks to him. If Sharir can gain complete support of Soekarno, the Indo problem can be solved to satisfaction all parties.

FOOTE

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856E.00/3-1046 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

TOP SECRET

BATAVIA, March 10, 1946—11 p. m.

[Received March 11—7:12 a. m.]

88. Clark Kerr and I reviewed situation today which is as follows:

Since my telegram 84, March 8, Sjahrir informed Clark Kerr Indo Cabinet elected, approved and ordered to Batavia at once so negotiations may begin March 12. Sjahrir stated if Cabinet does not come he will proceed without them.

Soekarno then ordered Sjahrir return to Djocja for further talks but latter replied he tired talking with party leaders and would remain Batavia to continue negotiations. Clark Kerr agreed that if Sjahrir goes to Djocja he may be liquidated by rabid extremists, thus putting end to all hopes for peaceful solution Indo problem. Sjahrir is showing unusual courage.

Sjahrir asked for further delay in talks but Clark Kerr objected violently and said in event further [delay?] he would request British Foreign Office terminate his visit here. This caused Sjahrir realize he must proceed at once or break off talks entirely, which would be fatal to Indo cause.

New money introduced March 7 but bank rates unknown due rumors NEI guilder will have same value as that of Netherlands. Bank rates expected next 3 or 4 days after consent British Treasury received. Simultaneously several thousands Dutch troops landed at Surabaya, Semarang and Batavia and others to follow. These two moves probably caused Sjahrir to hasten decision to renew talks without undue delay.

Clark Kerr likes idea change name "Indonesian Republic" to "Nusantara" and asked me how to spell the word.

Sjahrir has suggested 10-year period for transition to independence but Dutch ideas not known.

I learned that a line beginning few miles east of Cheribon will be drawn due south to the coast to make all area west thereof free from terrorists. If this is done, west Java made safe and Sjahrir remains, Sumatra will fall in line. Such would limit Indo movement to middle and east Java since other islands apathetic thereto.

Extra precautions being taken in Batavia to prevent outbursts of fighting but I do not anticipate serious trouble anywhere since people are tired and want peace.

FOOTE

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856E.00/3-1546 : Telegram

*The Ambassador in the Netherlands (Hornbeck) to the Secretary of State*

SECRET

THE HAGUE, March 15, 1946—5 p. m.

[Received 6:05 p. m.]

259. Dr. van Mook reports initial meeting with Sahrir encouraging, that Indonesian counter proposals are moderate and open up favorable prospects for satisfactory negotiations.<sup>58</sup> Foreign Office official of opinion resumption of negotiations does not preclude further outbreaks of serious fighting by armed extremist elements over which "republican" authorities appear to have little control. He cited recent attack on British convoy in interior of Java as example and mentioned possibility other serious clashes may be timed with meeting of Security Council.

HORNBECK

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856E.00/3-2146 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*<sup>59</sup>

SECRET

BATAVIA, March 21, 1946—11 p. m.

[Received March 22—1:40 p. m.]

104. Browne's<sup>60</sup> talk today with Van Bylandt, Van Mook's political advisor:

Indos insist on immediate recognition of "Indonesian Republic". They claim no need of transition period for independence since Re-

<sup>58</sup> The text of the Indonesian counter-proposals, handed to the Netherlands delegation and to Sir Archibald Clark Kerr on March 14, was transmitted to the Department by Mr. Foote in his despatch 18, March 22. It was also sent in two telegrams, March 22 and 23, from Batavia. In telegram 100, March 17, 11 p. m., from Batavia, Mr. Foote reported that the two stumbling blocks were the name "Republic of Indonesia" and the withdrawal of Netherlands troops immediately after signature of an agreement (856E.00/3-1746).

<sup>59</sup> Repeated by the Department as telegram 204, March 26, 11 a. m., to The Hague and as 2641 to London.

<sup>60</sup> Sidney H. Browne, Consul at Batavia.



public "exists now" and even where Dutch administration restored "Republic exists in people's hearts". All they appear to want is Dutch recognition, all practical matters re future relations Netherlands and Indonesia being subordinated thereto. Sjahrir's counterproposals did not answer those of Dutch, thereby showing no meeting of minds of two sides. Van Bylandt claims Indos living in dream world of their making in which realistic arguments and actual facts are nearly excluded and he is frankly pessimistic re outcome of negotiations. Van Bylandt said Dutch would gladly accept for Indonesia plan such as French have worked for Indochina—a system of states having varying degrees of autonomy but all within kingdom. He did not know what Indos thought of Indochina setup. He is greatly worried about Japs in Indonesia and said they are carrying on increasing activity as military trainers, spies, informers and increasing association with Indos. Van Bylandt said "war against Japan is not over; present situation here is the last but not least successful stage of Jap war. Defeat of Japan is Allied, not Dutch, responsibility." He complained sharply of failure of USA to meet Dutch request about 2 months ago for Liberty ships to carry Japs out of country. Shipping shortage appears to be greatest obstacle to removal of Japs.

From Foote: Clark Kerr today let me read long report of first sub-committee to "the conference". Indos pointed out therein that point 1 of counter-proposals must be considered with points 6, 7 and 8 and not alone. They said "Indonesian Republic is of primary and all predominant significance," points 2 and 3 were included "to accentuate preparations for cooperation", points 4 and 5 were meant "to prove Indonesia does not stand alone in world and must be prepared to serve world as whole". Indos said words "imperial cabinet" mean both sides must surrender certain amount of sovereignty, Jap war broke all ties with Netherlands and it is now necessary to find form for new cooperation but it "must be based on conditions existing now", the word Republic is "loaded with emotional meaning and negotiators must keep it inviolate", there is no desire to eliminate Dutch influence but to seek to use it for reconstruction of Indonesia. They added that vagueness of counterproposals was intended to force sharp definitions in agreement with Dutch. The Dutch then inserted long argument against claim that sovereignty now exists and said Indos could only ask for transfer thereof: only authority here is Allied Commander, and if they have been independent they committed serious offense by taking Jap arms which belong to Allies and they have held internees which Allies seek to release. Dutch said people other islands would object to inclusion in "Republic". Clark Kerr then suggested to Van Mook that French solved trouble in Indochina by permitting republic of Vietnam; Van Mook has not reacted but Clark Kerr thinks he is wavering. In brief, nothing has been accomplished, Dutch are pessimistic, Clark Kerr is not optimistic but appears de-

terminated to keep trying, the subcommittee will be reduced to make it more workable and another plenary session will be held in 2 or 3 days. At last moment of our talk Clerk Kerr mentioned "Republic of Java" as possible solution with varying degrees of autonomy in outer islands.

FOOTE

856E.00/3-2846 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

TOP SECRET

BATAVIA, March 28, 1946—9 p. m.

RUSH

[Received March 29—2:35 p. m.]

114. Clark Kerr today let me read the Indonesian counterproposal to the draft of a treaty handed to Sjahrir by Van Mook and mentioned in my telegram 113, Mar 27.<sup>61</sup>

Preamble says Netherlands Govt represented by Van Mook, Lieutenant Governor General of Netherlands East Indies, and Republic of Indonesia represented by its Prime Minister Soetan Sjahrir agree as follows:

Article 1 says Netherlands Govt recognizes the Govt of Republic of Indonesia "as exercising *de facto* authority over Java and Sumatra with the exception of territory which is occupied by the Allied Military Government". Netherlands Governor agrees with Govt of Republic to work for speedy construction of federal Indonesian free state to be a "partner in a state comprising also the Netherlands, Surinam and Curaçao".

Article 2 provides that Govt of Republic agrees to receive in friendly way Allied troops, including Netherlands troops, which are in or are to enter Java and Sumatra following decisions of Allied Commander in Chief and that Indonesians will cooperate in rounding up Japs and releasing internees.

Article 3, when agreement becomes operative hostilities shall cease and troops remain in their respective positions except as agreed under Article 2. Both parties will consult as soon as possible about joint action for implementing this.

Article 4, Netherlands Govt agrees to open negotiations with least possible delay re structure of the Indonesian free state, its place in the Kingdom, relations with foreign powers, etc.

Article 5 provides that areas outside Java and Sumatra may be represented in negotiations and become part of Indonesian free state.

Article 6 says if any area outside Java and Sumatra objects to joining Indonesian free state, Dutch reserve right to have special relation therewith but that after three years there shall be a referendum in such area to determine its future.

Van Mook is now in Surabaya but expected in Batavia tomorrow. Clark Kerr says this agreement may be signed within week or ten days or shortly after Van Mook's return.

<sup>61</sup> Not printed. Texts of drafts exchanged, obtained from Mr. Sjahrir, were transmitted to the Department in despatch 32, April 17 (856E.00/4-1746).



Indonesian counterdraft is essentially the same as that proposed by Dutch except that Indonesian includes Sumatra. This may be severe political headache for Dutch but I prefer reserve comments pending return of Van Mook.

FOOTE

856E.00/3-3146 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*<sup>62</sup>

SECRET

BATAVIA, March 31, 1946—11 p. m.

RUSH

[Received April 1—9:58 a. m.]

121. Clark Kerr informed me today that the points of view of Dutch and Indonesia delegations re future of Indonesia (see my telegrams 113<sup>63</sup> and 114, March 27 and 28) were close enough to justify trip to Hague by Van Mook to consult Dutch Govt. Van Mook leaves for Hague April 4 accompanied by Clark Kerr who will aid Van Mook by giving Dutch Govt his views. Sjahrir in order to speed the bridging of remaining difficulties has designated Doctor Soewandi, to accompany Van Mook and Clark Kerr to the Hague.<sup>64</sup>

After plenary session of March 30 Clark Kerr said "Much has been achieved. Loose ends now remain to be tied up at Hague. I am going to England for holiday and then to Washington. I do not think I need to return to Java. Last plenary session ended today with the two delegations toasting each other."

Van Mook said negotiations at Hague will be matter of a week or less and they will be finalized at Batavia; French treaty of Vietnam had pointed way to a solution which would otherwise have been difficult to find; final result should be reached in not too long a time. New constitution for Indonesia was discussed but actual drafting of it will begin after other groups not presented at conference have been heard. Van Mook praised work of Clark Kerr and paid tribute to character and intelligence of Sjahrir.

Clark Kerr, Van Mook and Sjahrir dined with me last night and all were in happy mood. More details and comments to follow tomorrow.

FOOTE

<sup>62</sup> Repeated by the Department as telegram 224, April 2, 6 p. m., to The Hague and as 2867 to London.

<sup>63</sup> Telegram 113 not printed.

<sup>64</sup> This party left April 4 for The Hague, without stopping at Saigon.



856E.00/4-1546 : Telegram

*The Chargé in the United Kingdom (Gallman) to the Secretary of State*<sup>65</sup>

SECRET

LONDON, April 15, 1946—7 p. m.  
[Received April 15—4:20 p. m.]

4162. Wilson-Young<sup>66</sup> told us this afternoon that, as far as Anglo-Dutch talks last weekend concerned NEI, they were quite satisfactory. He was not present during that part of talks where Germany was discussed. He said proposals brought back by Van Mook were apparently in large part acceptable to Dutch Govt. However, there were certain points which he did not specify, which were difficult for Dutch to accept from constitutional point of view and on these points new Dutch proposals were being presented to Indonesians. Wilson-Young expressed opinion that Sjahrir should not find too much difficulty in accepting these new proposals. He said he was much encouraged by liberal spirit shown by Dutch and was frankly surprised they had so readily agreed to what but a short time ago would have been considered extremely radical proposals. It was pointed out that neither British nor Dutch have any illusions that mere signing of agreement will immediately produce peace and quiet in Java. Crucial question appears to be whether or not Indonesian Army will support Sjahrir in making agreement with Dutch. Sjahrir claims great majority of his army will follow him. But if this should prove not to be case, there will be disorder and bloodshed for some time to come.

With regard to withdrawal of British troops,<sup>67</sup> Wilson-Young said general agreement had been reached. In principle British will withdraw their troops *para passu* with arrival of Dutch troops. There is said to be division of Dutch troops now in training which is expected to arrive in NEI at end of 1946 or early 1947, and there will, therefore, remain at least a division of British until that time. However, British were said to have made it clear to Dutch that should an unforeseen emergency arise either in SEA or elsewhere British would be free, if necessary, to withdraw their troops to meet it.<sup>68</sup> Wilson-Young concluded by saying that, on the whole, British were optimistic re future of NEI.

GALLMAN

<sup>65</sup> Repeated by the Department as telegram 245, April 16, 7 p. m., to The Hague and as 110 to Batavia.

<sup>66</sup> Counselor, British Foreign Office.

<sup>67</sup> The Department circularized 7 posts abroad on April 2, 10 a. m., that "UK plans to keep one division and corps and corps HQ in western Java until Sep 1947." (856E.00/4-246)

<sup>68</sup> The British Embassy on April 23 informed the Department about the conversations on April 12. It added that the British troops in the East Indies would be reduced by the end of May from an original peak of 46,000 to 19,000, approximately equal to the Dutch forces on hand at that time, and that one division would remain in Java until November or December. (856E.00/4-2346)

856E.00/4-2246 : Circular telegram

*The Secretary of State to Certain Diplomatic and Consular Officers*<sup>69</sup>

SECRET

WASHINGTON, April 22, 1946—midnight.

Dutch FonMin told Emb<sup>70</sup> joint document by Van Mook and Sjahrir re proposed status NEI being submitted to Dutch Govt by Van Mook without recommendation and to Parliament before elections. Document calls for establishment republic embracing all Java within and under Indonesian Federation of Neth Empire. FonMin stated relations Sumatra to new republic determinable later on basis local wishes but other principal islands definitely do not wish be in republic. Foreign relations to remain in hands Neth Govt. FonMin added opposition to Govt's plans had gained strength when "republic" mentioned for Java. Van Mook expected return Batavia end this week.

BYRNES

856E.00/5-346 : Telegram

*The Ambassador in the Netherlands (Hornbeck) to the Secretary of State*<sup>71</sup>

THE HAGUE, May 3, 1946.

[Received May 4—1:44 p. m.]

389. Minister Overseas Territories Logemann made report to Second Chamber evening May 2 on progress Indonesian negotiations. Prime Minister and four other Cabinet officers present in packed Chamber which received report in almost complete silence. Debate on Indonesia scheduled to begin May [*next?*].<sup>72</sup>

Most salient points Logemann's report follow: discussions have not yet reached complete agreement but govt feels real progress has been made; basic principle of Nationalists that Indonesian republic be recognized as sovereign state held by govt incompatible with kingdom's responsibilities; solution to threatening deadlock appear[s] to be afforded along lines recent agreement between France and former Annam Empire; applying same principle to solution NEI problem govt reached conclusion Indonesian republic might be recognized as part of federal Commonwealth of Indonesia which jointly with Netherlands, Surinam and Curacao would become partners within

<sup>69</sup> At Batavia, Chungking, London, Manila, Moscow, New Delhi, Paris, Rangoon, Saigon, and Singapore.

<sup>70</sup> Telegram 359, April 20, noon, from The Hague, not printed.

<sup>71</sup> Repeated by the Department as telegram 155, May 6, to Batavia.

<sup>72</sup> In telegram 192, May 10, 10 p. m., from Batavia, Mr. Foote reported that the recent vote in the Second Chamber was regarded as a mandate to proceed with negotiations with the Indonesians (856E.00/5-1046).



kingdom; status of Indonesia would be that of federation of self-governing units in which Netherlands Govt's powers to assume final responsibility in respect of fundamental rights, proper administration and sound finances would apply to entire Commonwealth of Indonesia as well as to its constituent parts; recognition of republic as one of these parts would not mean to imply that Netherlands Kingdom would relinquish such powers as it needs for insuring satisfactory functioning new administrative organization and would be compatible with govt's Feb 10 declaration; govt of opinion that group governing republic is representative of national aim all Indonesians in Java and when cooperation is resumed with Netherlands these leaders will be able overcome wanton acts currently being committed undercover so-called warfare once Nationalist minds are no longer dominated by presumption that freedom must be defended against Netherlands aggression; obstacles remain to early satisfactory solution, namely, republic in principle claims right to direct entire territory of Indonesia but Sjahrir and his partisans are prepared reduce their claims to those areas where republic exercises *de facto* authority; regarding outlying islands including Sumatra, Netherlands Govt maintains view they will be free to express their desires with regard to future status within Indonesia and should they desire to join the Republic govt will not oppose; purpose discussions have been to move Nationalists to lay down arms, to abandon revolt and to cooperate in peaceful reform of kingdom; frank advice of Indonesian Delegates who accompanied Van Mook to Hague strengthened govt in its convictions that Nationalism is force uniting all educated Indonesians.

HORNBECK

856E.00/5-2046: Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*<sup>73</sup>

SECRET

BATAVIA, May 20, 1946—11 p. m.

RUSH

[Received May 21—10:29 a. m.]

210. Van Mook met Sjahrir late yesterday and gave him protocol containing Netherlands' final word of offer. I have not seen the document but know that one item is to effect Soekarno is unacceptable to Netherlands Government in every way. Hope obtain copy of document near future.<sup>74</sup> Sjahrir in depressed mood, said he would pro-

<sup>73</sup> Repeated by the Department as telegram 314, May 22, 7 p. m., to The Hague.

<sup>74</sup> The document was summarized in telegram 227, May 27, 10 p. m., from Batavia; it was dated The Hague, April 30. Mr. Foote added: "Van Mook told me he informed Sjahrir verbally Soekarno unacceptable to Netherlands Government and that the above is Netherlands Government's final offer." In telegram 226, May 27, 6 p. m., from Batavia, Mr. Foote stated: "Present Dutch offer differs in no important respects from previous offers." (856E.00/5-2746) The text of the protocol was transmitted in despatch 51, May 30, from Batavia.



ceed Djokjakarta today or tomorrow. He told Van Mook he might have to resign. If he does resign, such would leave rabid extremists in charge Indonesian movement and probably end all hopes of peaceful agreement.

FOOTE

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856E.00/4-2046

*The Secretary of State to the Chairman of the House Committee on Foreign Affairs (Bloom)*

WASHINGTON, May 24, 1946.

MY DEAR MR. BLOOM: This is in response to your letter of April 20, 1946,<sup>75</sup> receipt of which I have previously acknowledged, in which you transmitted for the comment of the Department of State copies of H. Res. 603, "Expressing the sense of the House of Representatives to call upon the State Department to take steps regarding the presence of Japanese troops in Indonesia, and other action in support of the Indonesian Republic".

I am glad to have an opportunity to make a number of observations on questions of fact raised by the proposed resolution. Furthermore, since the policies of this Government with respect to the situation in the Netherlands East Indies have frequently been misunderstood, if not actually misinterpreted, I welcome an opportunity to set the record straight.

The proposed resolution would call upon the Department of State to make the necessary representation to the British and Netherlands Governments for the complete and immediate withdrawal of their troops from Indonesia; it would also have this Department call upon the United Nations to investigate the matter of disarming and removing Japanese troops now in Indonesia.

Regarding the withdrawal of Dutch forces, it is clearly inappropriate for this Government to make such a representation to the Netherlands Government since the United States recognizes the sovereignty of the Netherlands, which is an Allied and friendly power, over the Netherlands East Indies.

The withdrawal of British forces from the Netherlands East Indies is primarily a matter between the British and Netherlands Governments and, consistent with the responsibilities of the Southeast Asia Command, is to a great extent contingent, the Department understands, upon the removal of Japanese troops from that area. The return to Japan of Japanese forces in the entire Southeast Asia Theater, including the Netherlands East Indies, is a British military responsibility assigned on behalf of the Allies to the Southeast Asia Command

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<sup>75</sup> Not printed.

under Admiral Mountbatten, although the arrival of such troops in Japan is subject to the orders of General MacArthur. Thus the Southeast Asia Command, apart from its other responsibilities towards Allied prisoners of war and civilians, has been confronted with the tremendous task of rounding up, disarming, interning and removing some 650,000 Japanese troops in this area. Such troops are being removed, however, as rapidly as shipping and other facilities permit. The order of priority of their repatriation from the various regions of Southeast Asia is, of course, a military matter for decision by Admiral Mountbatten in conjunction with General MacArthur. The Department is informed that steps are now being taken which it is hoped will in the very near future provide shipping for the evacuation of very large numbers of Japanese from the Netherlands East Indies. At present, the task of preparing the Japanese for removal is being carried forward by British and Netherlands troops in cooperation with forces of the so-called "Indonesian Republic".

The resolution would also call upon this Department to take all steps appropriate to withhold any further shipments of war material to Britain and the Netherlands for use in Indonesia under any terms or agreement.

Since the capitulation of Japan in August, 1945, no military lend-lease material has been furnished the Netherlands by the United States. No arms or equipment have been sold to the Netherlands for military use in the Netherlands East Indies except, pursuant to a previous commitment, such as were necessary for the equipment of a small unit of Netherlands Marines who were in training in this country before V-J Day. Relative to the Netherlands Marine contingent, may I call your attention to a letter from the Secretary of the Navy dated January 4, 1946 and reproduced in the *Congressional Record* of January 14, 1946, page A-21. Licenses for the export of arms and munitions from the United States to the Netherlands East Indies are not being issued. Furthermore, it is contrary to the policy of this Government to permit American flag vessels or aircraft to transport troops of any nationality to or from the Netherlands East Indies except for the evacuation of Japanese. It is also contrary to American policy to permit the use of American flag vessels or aircraft to carry arms, ammunition, or military equipment to this area.

Finally, the resolution calls upon the Department of State to express through the American delegates to the United Nations Security Council United States disapproval of the manner in which present negotiations are being conducted between the Netherlands and Indonesia. In this connection it is apparently felt that the negotiations are prejudiced by the presence in the Netherlands East Indies of three so-called "interventionary armies"—British, Dutch and Japanese. The reasons for



the continued presence of these forces in the Netherlands East Indies are explained above. Meanwhile, the Dutch-Indonesian negotiations, begun in February, have been carried forward both in the Netherlands East Indies and in the Netherlands proper under conditions of which the representatives of the Indonesian Republic themselves have made no complaint, so far as the Department is aware.

The proposed resolution claims that prior to the Japanese attack on the Netherlands East Indies the Dutch administration refused to arm the Indonesians in defense of their homeland. Actually, compulsory military service for both Europeans and Indonesians was instituted in the Netherlands East Indies before the war. Army and Navy forces designed wholly for the defense of the Indies were made up of a majority of natives, particularly Amboinese and Menadoese, many of them officered by Indonesians who even led some European units.

The resolution also includes the statement that British troops in Indonesia have used armed Japanese forces to destroy the Indonesian Republic and restore Dutch imperial control in Indonesia. The Department is informed that in certain areas of N.E.I. where no or insufficient British and Dutch forces were available, Japanese forces have been used under Allied direction to keep open lines of communication essential to effect the liberation of Allied prisoners of war and civilian internees and to supply food and medical aid to such persons pending their evacuation. The number of Japanese troops so employed is being reduced as rapidly as conditions permit. In view of the fact that negotiations are going on, it is clear that the Indonesian Republican administration is still in being and that the conditions under which any Dutch sovereignty shall be exercised in the N.E.I. are still being worked out between Republican leaders and the Netherlands authorities.

As early as October 18, 1945,<sup>76</sup> an officer of the Department stated that, while this Government does not question Netherlands sovereignty in the East Indies, it is not our intention to assist or participate in forceful measures for the imposition of control by the territorial sovereign. Again, in a public statement of December 19, 1945, the Department called upon both the Indonesian leaders and the Netherlands authorities to seek through negotiation a peaceful settlement which would recognize alike the natural aspirations of the Indonesian peoples and the legitimate rights and interests of the Netherlands, and which would be in harmony with the principles and ideals of the Charter of the United Nations organization.

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<sup>76</sup> See memorandum by the Director of the Office of Far Eastern Affairs, October 22, 1945, *Foreign Relations*, 1945, vol. VI, p. 1167.



On February 11, 1946, the United States delegate stated before the United Nations Security Council in reference to the situation in the Netherlands East Indies that the best hope for the settlement of this unhappy situation and for the elimination of any possibility of a renewal of armed strife in that troubled area lies in the successful and prompt completion of the negotiations between the Netherlands Government and the Indonesian leaders. He added that he felt it would be a serious responsibility for the Council to take any action which might prejudice or retard the outcome of these negotiations and thereby increase the chance of future bloodshed. It is the Department's opinion that this reasoning is still valid and is applicable to the possible passage at this time of such a resolution as the one proposed.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

JAMES F. BYRNES

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856E.00/5-3046 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

TOP SECRET

BATAVIA, May 30, 1946—11 p. m.

RUSH

[Received May 31—8:31 a. m.]

233. General Spoor<sup>77</sup> and Count Bylandt informed me today following results of Singapore Conference last week:

1. British to relinquish in favor of Dutch all authority in all NEI except Java and Sumatra.

2. British to give up all authority in Java and Sumatra except in areas actually occupied by them. This would give Dutch free hand all areas except cities Batavia, Bandoeng and Buitenzorg in Java, and Padang, Palembang and half of Medan in Sumatra. Bandoeng, Java, will be turned over to Dutch in about two weeks.

3. Dutch agree if they get in tight spot militarily they will not ask for British help.

4. At earliest possible moment Dutch will clear Palembang of terrorists to protect oil installations and make rubber and other exports that residency available.

5. Above propositions agreed to at Singapore and sent to London for approval. London's reply expected by end next week.

6. British staff here believe Nehru<sup>78</sup> will be first Prime Minister of India and that one his first acts will be recall Indian troops from NEI.

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<sup>77</sup> Lt. Gen. S. H. Spoor, Commander in Chief, Netherlands Indies Army.

<sup>78</sup> Pandit Jawaharlal Nehru, a leader of the Indian Congress Party.

7. If above approved by British Govt London <sup>79</sup> Dutch anticipate very little trouble since most natives would welcome peace and protection.

FOOTE

856E.00/6-546 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

SECRET

BATAVIA, June 5, 1946—3 p. m.

URGENT

[Received June 6—10:52 a. m.]

240. Sjahrir returned from Djocjakarta and said Indo leaders agreed Netherlands' proposals far below expectations. Main objections Netherlands' failure provide inclusion Sumatra in Indo Republic but he said there are many other objections. He said he will draft counter-proposals in few days and forward them to Soekarno at Djocja for his approval. Sjahrir said Dutch never told him that proposals (see my telegram 227, May 27 <sup>80</sup>) were final offers. On previous occasion, however, he said Van Mook told him the offer was final and Van Mook confirmed this to me on two occasions.

Three Indo ministers have left cabinet and it appears Soekarno, not Sjahrir, will select successors, thus weakening Sjahrir.

Sjahrir said Indo leaders and cabinet has [*have?*] considered possible results of Dutch refusal of Indo counter-proposal but did not indicate that such might be. He added rather subtly that "removal Indo Government offices from Batavia to Djocja would depend on circumstances".

There is no indication when any meeting between Van Mook and Sjahrir will occur.

[FOOTE]

856E.00/6-1246 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom (Harriman)*

SECRET

WASHINGTON, June 12, 1946—11 a. m.

US URGENT

4636. Question of responsibility for maintenance protection Neth Indies causing Dept increased concern since liquidation SEAC. Proposed agreement reached at Singapore conference by Brit and Dutch understood now before Brit Govt for approval <sup>81</sup> (see infotel

<sup>79</sup> On July 13 the British General Headquarters at Batavia issued a statement on the termination of the military task performed by British and Indian troops in the Netherlands East Indies except Java, Sumatra, and the Riouw archipelago. Netherlands authority would thereafter maintain law and order.

<sup>80</sup> See footnote 74, p. 821.

<sup>81</sup> See telegram 233, May 30, 11 p. m., from Batavia, p. 825.

June 3, 10 a. m.<sup>82</sup>). Under approved plans how will responsibility in NEI be divided between Brit and Dutch and under what superior authority? With whom will SCAP deal on NEI problems?

Specifically, protection US petroleum interests in Palembang residency, especially the oil fields, matter of urgency since reports indicate extremists in position irreparably to damage wells and field installations on which operation of refineries depends. Dept thus far without confirmation Dutch or Brit to assume active protection fields while plans re Palembang city and environs ambiguous. Since Brit interests in Shell affiliate also involve wells and equipment in fields near US concessions at Pendopo and Talang Akar Dept assumes Brit Govt will take such steps as may be feasible to assure protection these assets. Dept therefore suggests you express our interest in this specific problem to appropriate officials.<sup>83</sup> Inquiries re plans should not, however, be couched in terms that might prompt Brit to invoke our participation in any protective measures or use our inquiry in itself as justification for military measures against Indonesians.

AmConsul, Batavia similarly expressing our interest to political and military leaders and Emb, Hague making inquiries from Neth Govt.

BYRNES

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856E.00/6-1246 : Telegram

*The Ambassador in the Netherlands (Hornbeck) to the Secretary of State*<sup>84</sup>

SECRET

THE HAGUE, June 12, 1946—6 p. m.  
[Received June 13—7:34 a. m.]

506. Minister of Foreign Affairs outlined to me today latest developments situation East Indies. Said matters not going well; Sjahrir talks of counter-proposals, which implies he is under pressure and can not deliver on earlier commitments, yet avoiding being put in position of breaking off negotiations and maneuvering, should deadlock develop, to put the Dutch in that position; situation in Sumatra precarious; British expecting to complete evacuation most of Japs and then themselves withdraw by end this year; Dutch will have sent replacements into Java but can not extend this to Sumatra where, if British nevertheless withdraw, there will be no protection for Dutch

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<sup>82</sup> Not printed.

<sup>83</sup> In telegram 5909, June 13, 5 p. m., from London, Ambassador Harriman reported that no decision had yet been taken, but, in general, the British contemplated that the Dutch would protect interests in areas handed over to them by the British (856E.00/6-1346).

<sup>84</sup> The Department summarized this message in telegram 212, June 19, 2 p. m., to Batavia.



and other foreign interests and for Indonesians friendly to Dutch;<sup>85</sup> in that case violence and widespread deterioration likely to occur there; possible Sjahrir may be forced out as was Kerensky in Russia in 1917; it is outstandingly to be hoped currently that Sjahrir will pull through.

Said he not prepared suggest what next step practicable; obviously could not suggest third power armed intervention, nor would United Nations intervention seem practicable; the latter might do were United Nations capable of a united disinterested procedure; should its intervention be invoked under existing circumstances, each of several countries, including Soviet Union and China, would pursue special objectives of its own; incidentally he would not blame Chinese for feeling strongly regarding their own interests in the presence of recent massacre their nationals—which, he explained, had been due primarily to Indonesian Nationalist feeling that Chinese are well disposed toward Dutch and secondarily to fact they are attractive target for looting.

HORNBECK

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856E.00/6-1846 : Telegram

*The Counselor of Embassy in China (Smyth) to the Secretary of State*

TOP SECRET

NANKING, June 18, 1946—5 p. m.

[Received June 18—8:05 a. m.]

1007. Dept's 301, June 13.<sup>86</sup> During call on FonMin Wang Shih-chieh June 17, I mentioned summoning to Nanking Chinese Consul General Chiang from Netherlands East Indies. Dr. Wang said he had been intending to invite me to FonOff to express his views on general situation in NEI; he then discussed the situation at length.

Dr. Wang said that information brought back by Chinese Consul General from NEI might be summarized as follows:

1. There is no possibility of reasonable settlement by negotiation between Dutch and Indonesian Nationalists under present conditions.
2. Dutch were inclined to be somewhat liberal some months ago, but their attitude is now much more intransigent, possibly because of arrival of additional Dutch troops.
3. There is little possibility of Dutch being able to impose a settlement by force. Dutch now have some 30,000 troops. Nationalists have around 200,000, mostly trained and armed by Japanese during period when Japanese realized defeat was inevitable; there are also three

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<sup>85</sup> In telegram 546, June 27, noon, from The Hague, Ambassador Hornbeck reported that the British had agreed to leave troops in both Java and Sumatra until the end of 1946 (856E.00/6-2746).

<sup>86</sup> Not printed; the first portion of this telegram inquired about the main causes of the Chinese massacre in Java (856E.00/6-1346).

to four thousand Jap with Nationalists. Furthermore, the 70 million Indonesians would in large part support Nationalists against the Dutch.

4. Chinese in NEI were requested by Chinese Consular officials, and also by leading Chinese merchants, etc., to observe strict neutrality between Dutch and Nationalists. There are about one and one-half million Chinese in Indonesia, mostly in cities where they constitute in many cases a majority of population. Chinese are chiefly merchants and industrialists. When there was no pressure on Nationalist controlled cities, Chinese were not molested except for payment of taxes, contributions, etc. However, when Nationalist cities were attacked (by British or Dutch) the extreme elements among Nationalists had in a number of cases, prior to leaving the cities, killed Chinese and looted their property. This was chiefly because Chinese were wealthiest persons, and only to a small degree because of anti-Chinese spirit. In some cities Dutch had compelled Chinese to serve in police forces, thereby perhaps antagonizing Nationalists. (Chinese, if born in NEI, are considered Dutch subjects, but persons of Chinese parentage if not born in NEI are apparently Dutch in NEI and Chinese in China.) Responsible Nationalists had deplored excesses of their radical elements against Chinese. About 3,000 Chinese killed before British took Batavia, and about 1,000 in recent massacre at Tangerang, others in smaller cities.

Dr. Wang said Chinese Govt was seriously concerned over danger to large Chinese population in NEI, if Dutch should attempt to impose a settlement by force. He said that although Chinese had been massacred by Nationalists and it might therefore be supposed Chinese would support Dutch, the Chinese Govt took a long view of situation and desired a settlement which would be satisfactory and permanent; he referred to the interest of President Roosevelt in dependent peoples. He remarked that efforts were being made to restrain criticism of Indonesian Nationalists (this is evident from recent playing down of Indonesian massacres in Chinese press).

Dr. Wang expressed the view that there was no change [*chance*] of peaceful, reasonable settlement being reached unless pressure were brought to bear on Dutch. He wondered whether it might not be advisable for powers interested in that area, including United States, China, Australia, Britain (he did not mention France), either jointly or by separate, parallel action to urge Dutch to effect reasonable, peaceful settlement by negotiation. If these direct negotiations should fail, Dr. Wang felt that Powers should then urge Dutch to invite outside mediation. He felt that nothing would be accomplished, however, unless pressure were brought to bear on Dutch and at an early date. Dr. Wang said he would appreciate receiving views of State Dept on this matter as soon as possible as he felt situation was rapidly deteriorating. Dr. Wang said Chinese Govt had been considering

question of referring NEI situation to United Nations, but no decision had yet been reached on matter.<sup>87</sup>

Dr. Wang said there was no truth in Dutch Agency Aneta report mentioned in second paragraph of Dept's 301, June 13.<sup>88</sup>

SMYTH

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856E.00/6-2046 : Telegram

*The Ambassador in the Netherlands (Hornbeck) to the Secretary of State*

THE HAGUE, June 20, 1946.

[Received June 20—7:30 p. m.]

531. Last night Netherlands Govt released announcement which may be summarized in English as follows:

On June 17 Sjahrir handed Governor General van Mook counter proposals.<sup>89</sup>

These proposals comprise conditions of treaty containing mainly *de facto* recognition authority of Indonesian republic in Java and Sumatra and cooperation with republican govt for establishment of Indonesian free state, which will then enter into alliance with Netherlands. Hostilities will be stopped and both sides will agree not to extend positions occupied or increase present forces.

Representatives of outer territories will participate in negotiations concerning creation Indonesian free state.

Special relationship with this free state and Netherland kingdom will be established for these territories which object to unconditional inclusion. After 3 years plebiscite will decide relationship these territories.

Proposals constitute serious retreat from those presented Dutch Govt last April. Latter provide for entry of republic as constituent part of Indonesian free state within kingdom and do not include any restriction re entry Dutch troops.

In discussions at Hooge Veluwe no agreement was reached on two points, namely, treaty form to which objection was taken on constitutional grounds and recognition of republic's *de facto* authority in Sumatra which is considered to be contradicted by facts.

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<sup>87</sup> In telegram 342, June 21, 8 p. m., to Nanking, the Department asked that Dr. Wang be advised that it was closely following Indonesian developments, recognized the difficulties, but was still hopeful that negotiations could lead to a mutually agreeable peaceful settlement. The Embassy was informed that the deterioration of Dutch-Indonesian relations was regarded seriously; however, joint or parallel action with China was not believed to be desirable or effective. (856E.00/6-1846)

<sup>88</sup> The report indicated that the Chinese National Government had ordered cooperation by Chinese in the East Indies with the Netherlands authorities there.

<sup>89</sup> These were reported in telegrams 252, June 18, 7 a. m., 253, 11 a. m., and 254, 10 p. m., from Batavia, none printed.



It might have been expected further agreement would have been sought on this basis. Sudden renunciation of what had gradually been attained now gives rise to very serious question whether position of Indonesian spokesman in discussions with Dutch is such that results may be expected.

Govt studies situation now created.

HORNBECK

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856D.01/6-2646 : Telegram

*The Acting Secretary of State to the Consul General at Batavia*  
(Foote)

SECRET

WASHINGTON, June 26, 1946—7 p. m.

221. SSU representative Singapore reports that Hashmy Tahir (Singapore Rep Malay Nationalist Party and Chairman of General Labor Union Branch of Indo Labor Party in Singapore) has indicated that you may shortly be approached by Reps of Sjarifoedin<sup>90</sup> to inquire whether official mission composed of members Sjahrir's cabinet seeking US assistance for cause of Indo independence would be welcomed in Wash. In such event you should receive visitors in friendly and sympathetic manner and while avoiding critical discussion Dutch-Indo dispute or appearance of inhospitality on part of US Govt, tactfully discourage any plans for visit to US at this time, pointing out that members of any Indo delegation could not, of course, be received in US as official Reps of "Indo Republic".

You should also say that through your contacts with Sjahrir and other Indo leaders as well as with Brit and Dutch officials, you have been closely in touch with situation as it developed and have kept your Govt fully informed. You may add that you and members of your staff welcome an expansion of contacts with Indo leaders and will be glad to report to Wash, without, of course, commitment as to US Govt's course of action, any views Indo leaders may wish to present.

If you are unable to deflect your visitors from pressing forward with request for reception in Wash of Indo delegation, you should say that request will be transmitted to Dept. In this eventuality, please report fully proposed membership of mission and political affiliations, nature of travel documents held by mission, your opinion whether refusal to authorize visit might weaken position of Sjahrir and strengthen that of more radical elements, and your opinion as to effect upon current Dutch-Indo negotiations of presence of Indo Reps in US even in an unofficial capacity.

ACHESON

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<sup>90</sup> Indonesian Socialist Party member and Minister of Defense.

856E.00/6-2746 : Telegram

*The Acting Secretary of State to the Ambassador in the United Kingdom (Harriman)*

TOP SECRET

WASHINGTON, June 27, 1946—6 p. m.

5061. Brit Min MacKereth reportedly recently assured Sjahrir Indonesia would be far better off under international trusteeship than if Van Mook's proposals accepted. MacKereth said to have added trusteeship would be Brit, Australia, US and Neth.

Please inquire discreetly FonOff whether views allegedly expressed by MacKereth are those of Brit Govt and whether his instructions name him as mediator or intermediary.<sup>91</sup>

For your strictly confidential info, source of report Cons Gen, Batavia adds<sup>92</sup> it appears to him foregoing was MacKereth's own idea and Foote doubts Brit Govt informed of this action. Foote feels MacKereth anti-Dutch and pro-Indonesian and not only assisted Sjahrir in drafting latest counter-proposals but influenced his decision on points thereof.

ACHESON

856E.00/7-1046 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

SECRET

BATAVIA, July 10, 1946—10 p. m.

RUSH

[Received July 11—9:13 a. m.]

290. I am convinced beyond doubt British have some ulterior motive re NEI. This idea growing since 1928 [1940?] when straws began pointing same direction. Since my return last October increasing number straws all point likewise. While fuller report follows by air-mail, following are some reasons my opinion:

1. Nearly all British officers in Java have been and are openly anti-Dutch. No American could stand various insults offered to Dutch. On other hand they have been and are cordial to Indos.

2. Lord Inverchapel<sup>93</sup> assisted Sjahrir to draft counter-proposals.

<sup>91</sup> In telegram 6453, July 3, 4 p. m., from Ambassador Harriman in London, the Department was informed of a talk with the British Assistant Under-Secretary of State for Foreign Affairs (Dening). He said the British were now endeavoring to persuade both the Dutch and Indonesians to go back to the original position, as both were at fault for having departed from positions taken in the winter. The British were continuing to act only as go-betweens, not mediators, and felt direct negotiations had not yet been exhausted. (856E.00/7-346)

<sup>92</sup> In telegram 270, June 26, 3 p. m., not printed.

<sup>93</sup> Sir Archibald Clark Kerr became Baron Inverchapel of Loch Eck on April 5, 1946.

British Minister MacKereth openly states he anti-Dutch and also assisted Sjahrir (mytel 270, June 26<sup>94</sup>).

3. When Dutch have chance restore law and order in certain area, even at request of Indos, they are hindered or refused permit to operate.

4. British made plans protect Shell refinery but plans did not include USA property until I requested information.

5. About 12,000 British troops now in Sumatra but do nothing and permit chaos to grow. That number troops could pacify Sumatra to intense delight great majority of natives.

6. British rubber estates Malaya opened and producing. At same time Sumatra rubber and rubber machinery going port of Malaya with British doing nil prevent this smuggling perhaps to gain foreign exchange therefrom.

7. Increasing numbers prominent British estate owners coming Java from England to see British General Mansergh and British Minister MacKereth. Since most these known to me personally they visit my house and without exception tell me Anglo-Austral-USA control over Sumatra is necessity. Such would leave British and Australs in control with USA holding empty bag.

8. Continued chaos in Sumatra would have excuse for ultimate British control. Sumatra natives dislike those of Java. If Sumatra became part of Indo Republic, Java could not control it, thus making British control necessary. British estates and commercial interests would then control Sumatra and US interests would suffer.

9. About 40 percent pre-war capital investment in Sumatra was British. While this is enormous amount it is unimportant compared with control over all Sumatra production and at same time giving Malaya breathing time to rehabilitate estates. British control would pass to their hands world's most important rubber and palm oil areas plus Sumatra market for imported goods.

10. British Govt in London may have no ulterior motives but British businessmen here and elsewhere are working towards ends mentioned above.

11. Local American businessmen fear this effort and have queried me many times.

12. While the issue may not arise, my purpose is to warn Dept is [it] probably will. If it arises, Dept will recognize it at once. I urge this situation cannot be watched too closely and in interests our country it cannot be dealt with too harshly if it arises.

FOOTE

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<sup>94</sup> See footnote 92, p. 832.



740.00119 EW/7-1646: Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

CONFIDENTIAL

BATAVIA, July 16, 1946—4 p. m.

[Received July 16—2 p. m.]

298. Reference alleged rejection of armistice by Dutch. Since press and radio recently gave much publicity this subject, following are the facts:

On June 23, Van Mook and Sjahrir had personal informal talk during which latter suggested armistice. Van Mook agreed and asked Sjahrir submit proposal. On June 24, Sjahrir suggested cessation of hostilities; radio and press truce; no further recruiting by Indonesian Army; no further military operations of any sort; no more troops to come from Netherlands and inspectors from both sides to observe operations of the other.

On June 25, Sjahrir went to interior of Java.

Sjahrir kidnapped at Solo night of June 27 and 28.

Soekarno declared himself dictator June 30.

Sjahrir returned Batavia July 1, returned to interior July 3, returned Batavia July 8. Even now, it is not known whether Sjahrir has authority to negotiate with Van Mook since Soekarno is sole Indonesian authority.

On July 9, Van Mook replied to Sjahrir as follows: agreed with idea of armistice; agreed tone down radio and press propaganda; suggested lifting food blockade; said military clauses impracticable in present form because Dutch bound to replace British and Indian troops moved from NEI; said military matters not Dutch-Indonesian affair but sole responsibility of Allied Commander-in-Chief; and suggested military clauses be left to General Mansergh for decision. Part of story then reached local correspondent of United Press. Consulate General uninformed what UP story said, but British and Australian radios said Van Mook rejected Sjahrir's armistice offer.

Have checked with Dutch and Sjahrir who say above are all the facts and that anything to contrary is false.

Not much hope further negotiations until end of Malino conference.<sup>94a</sup> Van Mook said he would not lead conference but would permit Indonesians from all NEI except Java and Sumatra take lead and express opinions freely regarding future. This would give him better understanding desires of regions represented at Malino.

FOOTE

<sup>94a</sup> The Malino Conference met July 15–July 25 under the chairmanship of Lieutenant Governor General van Mook to consider reorganizing the Government of the islands.

856E.00/7-1746 : Telegram

*The Ambassador in the Netherlands (Hornbeck) to the Secretary of State*

SECRET

THE HAGUE, July 17, 1946—6 p. m.

[Received 6:25 p. m.]

589. According to Helb, Acting Chief Political Section FonOff, Cabinet has reached decision on Indonesia which in broad outline envisages recognition *de facto* authority of republic in Java and Sumatra, exclusive areas under Allied control, with provision that after lapse unspecified period inhabitants Sumatra will be free to choose whether or not they desire remain within republic. On its side, republic must accept condition remain integral part Indonesian Federation as set forth in government statement February 10. Moreover, following guarantees must be implemented by republic: (a) Military truce; (b) security for internees; (c) establishment common administrative body for exchange info on food, public health and monetary problems; (d) full security for all nationalities; (e) suspension of propaganda against Dutch. Agreement to be drafted in form of protocol and to contain stipulation that in event its nonfulfillment on part republic, Netherlands Government reserves right reconsider entire question.

Re areas presently under Allied control, Netherlands Government agrees not to increase strength Dutch troops which will only be landed *pari passu* with withdrawal British forces. However, agreement will not exclude strengthening Dutch forces in outer territories under jurisdiction Netherlands Indies Government.

While any further concession on part Netherlands Government in recognizing authority republic over Sumatra will undoubtedly give rise strong opposition from reactionary elements parliament, informant stated Cabinet determined expedite solution to present impasse. At same time he indicated Government's readiness conduct negotiations and conclude agreement even with Soekarno although distasteful because of his known collaboration with Japan, adding that in any event Soekarno will have opportunity demonstrate whether he seriously desires reach agreement with Dutch or wishes prolong present chaotic conditions.<sup>95</sup>

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<sup>95</sup> In telegram 424, July 23, 7 p. m., to The Hague, the Department said it was encouraged by this information and suggested the Ambassador "reiterate keen US interest in early peaceful settlement, which can be achieved, in Dept's view, only by conciliatory, liberal and realistic approach." (856E.00/7-1746) In telegram 146, July 23, 7 p. m., to the U. S. delegation at the United Nations, the Department reported the information from The Hague and added "This Govt feels present moment inappropriate for US and Brit to extend good offices and remain opposed to having question brought up for consideration by UN. We always ready however to receive any suggestions which might lead to satisfactory solution of problem." (501.AA/7-1246)

Helb also stated Van Mook will shortly resume negotiations with nationalists in light Cabinet decision and, although in his capacity as head Netherlands Indies Government he has broad powers, he will be assisted by commission which will soon leave for Indies with authority delegated by Cabinet to make major decisions without reference back to Hague. Schermerhorn<sup>96</sup> almost certain to be on commission and De Boer, Acting Burgomaster Amsterdam, and recently returned from Indies, likely to be another member.

Helb implied Netherlands Government resented recent pressure on part British to foster meeting of nationalists and Dutch in neutral territory outside Indies said unnecessarily forceful note embodying such suggestion was received from British either day before or day of Sjahrir's kidnapping and that reply will be communicated to British embodying Cabinet's decision. Referring to Frederick Kuh's London story that British Government is considering possibility new peace conference aboard ship off Indies, he implied criticism of British FonOff for apparently "premeditated" leaks of this variety which create impression British are doing everything to end deadlock between nationalists and Dutch but are obstructed by Dutch reactionary elements in Hague.

HORNBECK

856E.00/7-1746 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

TOP SECRET

RUSH

BATAVIA, July 17, 1946—11 p. m.

[Received July 18—10:10 a. m.]

301. Deptel July 11, 1 p. m.<sup>97</sup> re negotiations. In re following comments please refer my telegrams 47, February 9, 105 March 22, 113 March 27, 114 March 28, 122 April 1, 123 April 4, 227 May 27 and 252 June 18.<sup>98</sup>

Feelings British FonOff as express[ed] to Harriman<sup>99</sup> that both Dutch and Indos at fault for having departed from original positions is not understood. Dutch statement February 10 covered broad policy as basis for talks. Sjahrir then called for Indo Republic's sovereignty over all NEI.

On March 26 Van Mook gave Sjahrir draft of proposed agreement recognizing Indo Republic with *de facto* authority over Java. Sjahrir countered by calling for recognition of Indo Republic with *de facto* authority over Java and Sumatra. Neither of these were

<sup>96</sup> Netherlands Prime Minister until May.

<sup>97</sup> Not printed.

<sup>98</sup> Telegrams 105, 113, 122, 123, 227, and 252 not printed.

<sup>99</sup> See footnote 91, p. 832.



communicated to Hague until Van Mook took them personally in company with Lord Inverchapel.

Inverchapel, Van Mook and Indo Delegates left Batavia April 4 for Hague. On that date Dutch and Indos were no nearer agreement than they are now. After Van Mook's return from Hague he gave to Sjahrir Netherlands offer which is now before Indos. Sjahrir again countered with demands for recognition of republic with *de facto* authority over Java and Sumatra.

When Inverchapel left Batavia he apparently felt his mission was success since he told me Dutch and Indos were in agreement on most points but others needed further discussing. Van Mook made same statement to me. Inverchapel probably did not attach sufficient importance to matter of future of Sumatra which is the chief stumbling block. Soon after Inverchapel's departure my talks with Sjahrir convinced me Inverchapel's mission was successful in only very small degree. He probably considered talks as negotiations when they were only exploratory. Various offers and counter offers were merely progress reports which Inverchapel thought he could consummate once he had Dutch and Indos at London, Hague or both.

In brief neither side has departed from original position nor have they grown further apart. Main stumbling block has been and is future of Sumatra.

In re Sjahrir's latest counter proposals see penultimate paragraph my telegram 270, June 26.<sup>1</sup> In view of above feelings of British FonOff expressed to Harriman appear unjustifiable or based on misconception.

Am convinced sending Netherlands Cabinet Mission along lines British Mission to India would be mistake. It would not inspire more confidence among Indos than does Van Mook whom Indos regard as their best friend, it would merely cause them lose confidence in him and harden attitude or increase their demands, thereby driving date of agreement farther into future.

FOOTE

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856E.00/7-2446 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

RESTRICTED

RUSH

BATAVIA, July 24, 1946—6 p. m.

[Received July 24—10:45 a. m.]

311. Malino Conference unanimously adopted following four resolutions on July 22:

1. Indonesia to be named "United States of Indonesia" and shall be a federation embracing all of Netherlands Indies.

<sup>1</sup> Not printed.

2. The federation shall consist of four, namely Java, Sumatra, Borneo and Great East. Reservations were made concerning the position of the Lesser Sunda Islands; the possibility of the self-governing districts of East Borneo joining Borneo as one unit; and the position of Bangka, Billiton and Riouw pending their decision whether to join Sumatra.

3. New conference to be called at earliest possible date to consider details of constitutional reforms for Borneo and Great East.

4. Seven selected delegates now at Malino to take part in preparations for drafting proposals for constitutional reforms covering Borneo, Great East, Bangka, Billiton and Riouw.

Still too early to obtain reactions thereto since Van Mook will not return to Batavia until July 26.

FOOTE

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856E.00/7-2546 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

RESTRICTED

BATAVIA, July 25, 1946—3 p. m.

RUSH

[Received 7:23 p. m.]

312. Malino conference July 23 adopted following seven resolutions:<sup>2</sup>

(1) Conference is convinced that a defined period of cooperation within framework of the Kingdom is necessary to enable United States of Indonesia to complete organizations in political, economic, social and cultural fields to permit the creation of a free and independent decision on the continuance of relations between the Netherlands and Indonesia.

(2) Some delegates think 5-year period is sufficient, others think the period should not exceed 10 years while remaining delegates think it should be defined by coming state conference.

(3) Hope was expressed that at coming state conference the relations between The Netherlands and Indonesia be defined by statute to be effective during the period of preparation and rehabilitation. Said statute to state that Netherlands and Indonesia have separate constitutions.

(4) Conference is of the opinion that even at the end of the period of preparation it will be expedient to continue free and voluntary cooperation between Netherlands and United States of Indonesia.

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<sup>2</sup> Texts of resolutions and motions adopted on July 22-24 were transmitted to the Department in despatch 96, August 13 (received September 19). Despatch 100, August 22, from Batavia (received October 3), reported further discussions implementing the decisions of the Malino conference. In a memorandum of August 13, the Chief of the Division of Southeast Asian Affairs (Moffat) regarded "the work of the Malino conference as a forward, constructive step." (856E.00/8-1346)

(5) A number of delegates expressed the conviction that at the end of the period of preparation Indonesia should remain a part of the Kingdom as an equal ranking partner while the other delegates thought that continued cooperation would be best guaranteed by treaty with The Netherlands.

(6) Some delegates wished to state emphatically that their readiness to remain part of the United States of Indonesia depended on the maintenance of the ties with the Kingdom.

(7) At the last moment motion by representative of South Celebes was adopted unanimously to the effect that it is desirable that representatives of the Great East attend any further discussions between The Netherlands and Sjahrir and his party provided that both parties agree thereto.

(8) Local press describes the above as showing friendship re-sealed, mutual respect, cooperation on a new base and ultimate self-government for Indonesia. The seven resolutions were adopted one at a time but without debate.

(9) Conference decided that matter of Indo citizenship would be left to Committee of Experts to be selected. Borneo and Great East were then requested to register available and suitable talent to be employed at Batavia to work out details.

FOOTE

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856E.00/7-3046 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

SECRET

BATAVIA, July 30, 1946—4 p. m.  
[Received July 31—12:53 p. m.]

318. Following is first of three telegrams<sup>3</sup> re talk with Van Mook last night:

He expressed satisfaction over Malino Conference "where native delegates showed understanding and common sense" and added hope "the small clique at Djokjakarta will be equally reasonable" thereby ending the trouble. He emphasized that delegates were free to criticise and not hampered, even holding secret meetings with no Dutch present. Only restraint by Van Mook was to prevent delegates passing resolution on floor of conference censuring Indonesian Vice President Mohammad Hatta who said conference was held at point of bayonet. Four Indonesian journalists from Soekarno regime were present and spread propaganda leaflets among delegates who resented their action. At end of conference they visited Van Mook and said conference was clean and not what they expected but that they not permitted publish

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<sup>3</sup> Second and third telegrams (Nos. 319 and 320) not printed.



facts thereof. Van Mook said resolutions adopted (mytels 311, 312 and 314<sup>4</sup>) could be extended to Java and Sumatra in broad liberal helpful way to bring era of Dutch-Indonesian cooperation with peace, prosperity and progress, but whatever offered Soekarno and Sjahrir is countered by demands for twice as much. This is no doubt true when British encourage Sjahrir stand pat or increase demands which been done in past. He added much trouble caused and agrees it delayed when British treat Sjahrir and Soekarno regime as equal of Netherlands Government and sometimes above Van Mook. Am convinced this partly true since Sjahrir usually surrounded by shrewd types British officers who do not hesitate offer their opinions. Sjahrir told me he growing tired of it and wanted long rest interior of Java.

Van Mook said he had no objections to any resolutions adopted at Malino, that he read and approved them before introduction on floor of conference for vote, that he ready extend principles of resolutions to all Netherlands East Indies if only there were dependable persons with whom he could negotiate, whose word could be accepted at face value and who could implement any agreement reached. He added that at moment the Indonesians do not appear have any such person or persons.

FOOTE

856E.00/7-1746 : Telegram

*The Acting Secretary of State to the Ambassador in the Netherlands*  
(Hornbeck)

SECRET

WASHINGTON, August 5, 1946—6 p. m.

457. Increased tempo Russian press and radio comments re Indonesia may presage early Soviet effort re-introduce question in UN. Action to block such move might prove embarrassing in view continuing acute unrest Indonesia and lack tangible results as far as world opinion concerned since subject last brought before UN.

Dept desires definitive terms recent Cabinet proposals (reurtel 589 Jul 17), further info probability adoption these proposals by Neth Parliament, and probable amendments thereto. At same time you may indicate informally to FonOff our feeling it might prove desirable expedite parliamentary action and public announcement Neth position in view possibility this question may otherwise be raised in UN by third country.

Sent The Hague. Repeated London.<sup>5</sup>

ACHESON

<sup>4</sup> No. 314 not printed.

<sup>5</sup> As telegram 5837.

800.00 Summaries/8-946 : Telegram

*The Acting Secretary of State to the Consul General at Batavia  
(Foote)*

SECRET

WASHINGTON, August 9, 1946—6 p. m.

262. On Aug 6 Neth FonMin<sup>6</sup> handed note Brit Amb<sup>7</sup> setting forth basis on which Neth prepared resume negotiations with Indonesians. Document<sup>8</sup> not being released must be regarded utmost secrecy contains preamble that points out Dutch indebtedness Brit for her assistance and states that while contd cooperation appreciated two factors which have occurred may change trend of events. These are (a) conclusions reached Malino favoring for large part of NEI period political reconstruction within Neth Kingdom on basis democratic partnership, and (b) recent events which have raised increasing doubts re authority Sjahrir Govt. Dutch declare this disintegration caused delay in negotiations. Provided evacuation internees resumed Neth prepared continue negotiations on following conditions: Indo "Republic" must be prepared take up its position in political structure of Indonesia as equal member with full partnership in reconstructed kingdom in which all members pledged to maintain fundamental democratic principles; Neth prepared reaffirm willingness recognize "Republic" as *de facto* admin of Java except for areas under Allied control; Neth proposals Feb 10 shall be understood grant Neth adequate cooperation in conduct Indo affairs basis shared responsibility; "Republic" shall give guarantees of determination to reach and capacity to implement solution question; Neth prepared recognize Sumatra as incl in area to be admin by "Republic" but only if preliminary survey indicates public opinion there prefers such solution to autonomous membership in Indo Federation as outlined Malino; maintenance present military positions and cessation hostilities; and agreement that further negotiations to provide machinery complete political settlement shall be made soon as these negotiations concluded.

Note to Brit states Neth intends send Commissioners Batavia soon as possible and that in declaring willingness resume discussions and send Commissioners Neth Govt has gone far as its responsibility permits. It trusts Brit Govt will cont efforts by urging on Sjahrir seriousness sit[uation] and need to reach agreement.

FonMin told Hornbeck statements outlined to Brit have full cabinet support, do not require Parliamentary approval, and if approved by Brit are expected to be passed on by them to Indos. FonMin added

<sup>6</sup> Baron W. van Boetzelaer.

<sup>7</sup> Sir Neville Bland.

<sup>8</sup> Text was transmitted to the Department in despatch 1047, August 9, from The Hague, not printed.

that Attlee had voiced concern of possibility USSR bringing up Indo question in Sep meeting Gen Assby UN and hoped it would not be brought up. FonMin skeptical reports China might bring up question in UN.

ACHESON

856E.00/7-3146 : Telegram

*The Acting Secretary of State to the Consul General at Batavia  
(Foote)*

RESTRICTED

WASHINGTON, August 9, 1946—7 p. m.

263. Following is Moscow's 3045, July 31:

"Criticism in Soviet press of American policy in Indonesia seems to be keeping pace with mounting attacks on American activities in China and Japan. Roger Moran in July 28 *Izvestiya* quotes from Mark Twain's notebook: 200 Indians were killed; what did this cost; \$2,000,000; for this sum they might have been given higher education. Moran then ties in 'this gloomy joke' with news report from Hague that USA had given Dutch administration in Indonesia 100,000,000 credit to buy US arms. Few Indians, he continues, are left in USA. Capital must be invested in other business. Following old habits enterprising Yankees instead of providing credit to Indonesian Republic for education are putting millions into arming Indonesia's enslavers."

Following sent Moscow and repeated Hague:

"No arms, munitions or implements of war have been or will be included in any military surpluses transferred to Neth Indies Govt under 100 million dollar credit. No objection your discretion use this info as you wish."

ACHESON

856E.00/8-3046 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

SECRET

BATAVIA, August 30, 1946—4 p. m.

[Received August 30—3:20 p. m.]

350. Mytel 348, August 27.<sup>9</sup> After Killearn received invitation from Sjahrir through Hadji Agoes Salim <sup>10</sup> to visit Djocjakarta he changed plans and went Djocja early yesterday morning by RAF plane to stay only 2 hours but he talked with Sjahrir about 5 hours, returned

<sup>9</sup> Not printed; it reported the arrival from Singapore of Lord Killearn, British Special Commissioner in Southeast Asia (856E.00/8-2746).

<sup>10</sup> Vice Minister for Foreign Affairs in the new Cabinet headed by Soetan Sjahrir.



Batavia same day and returned Singapore by air this morning. Before taking off, he sent for me and gave following re Djocja trip:

He impressed on Indonesians need for immediate truce, is hopeful that it will be arranged and asked General Mansergh to send plane for Indonesian officers to negotiate it; he told Indonesians British troops will leave NEI by end of November and impressed on them necessity for resumption of negotiations. He then told me he will return Batavia after arrival Schermerhorn so that negotiations may be hastened as much as possible.

FOOTE

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S56E.00/9-1046 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

SECRET

BATAVIA, September 10, 1946—3 p. m.  
[Received September 10—1:03 p. m.]

358. Re Dutch-Indo negotiations. Yesterday Van Mook sent letter to Sjahrir to effect that delay in negotiations regretted but unavoidable; that both sides now in better position to discuss problems since ideas clearer in Netherlands and Sjahrir's position in Indo circles has improved. Van Mook suggested they explore possibilities now to be ready when committee general arrives from Netherlands. He also invited Sjahrir's ideas whether Killearn's good offices could be used and, if so, how. Sjahrir has not yet replied.

Indos suggested Dutch send mission to Djocja to talk with leader and look situation over for themselves. This mission headed by Van Mook's well-informed American-born political advisor, Doctor Koets, will leave Batavia September 15. Koets has promised keep me fully informed results of trip.<sup>11</sup>

Indo, British and Dutch military officers now assembling at Batavia to discuss in near future technicalities of possible military truce in Java and Sumatra.

Hadji Agoes Salim, prominent Moslem leader, Indo Under-Minister of Foreign Affairs and well known anti-Communist, is taking lead in Batavia because of fear Communists' effects on both Moslem religion and native adat, the destruction of which would undermine everything which natives believe and understand.

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<sup>11</sup> In despatch 124, September 25, from Batavia, Mr. Foote reported that the members of the mission had returned with optimistic accounts of what they had seen and were unanimous "in stating that they felt that some progress has been made towards breaking down the suspicions which have hampered all attempts to negotiate." (S56E.00/9-2546)

The above constitute in my mind the first rays of light on Dutch-Indo problem and may lead to good results if waters are not again muddied by interference.<sup>12</sup>

FOOTE

856E.00/9-1746 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

SECRET

BATAVIA, September 17, 1946—10 a. m.

[Received 10:51 a. m.]

370. Mytel 368, September 16,<sup>13</sup> re negotiations. Gen. Mansergh is optimistic re military truce and others think final agreement will be negotiated near future but this not shared by me.<sup>14</sup> Better classes Indos and masses of people want truce and final peace but Indo authorities like Sjahrir unable implement agreements since hundreds parties, bands led by fanatical or ambitious men will not permit truce or peace unless suits them. Any goodwill shown by British or Dutch is regarded as sign of weakness and used as political capital. Evacuation agreements, for example, made by Indos cannot be executed if some Indo general prefers keep internees as hostages. Native press plays up Killearn visit to Djocja and present Dutch mission there as sign of weakness and *de facto* recognition. British appeasement has resulted in increased bloodshed but when Dutch given free hand law and order are established without serious fighting because of natives' desire for peace. Many thousands of natives tried to enter Dutch perimeters such as Bandoeng, Batavia, Surabaya and other places. This merely proves natives as whole want peace while their leaders continue try to whip them up to frenzy. If British muddle present effort, outcome will be doubtful, if not dangerous, and peace certainly delayed. Mansergh is realistic, although perhaps too optimistic, and sees danger ahead but is trying help negotiators by creating better atmosphere. If British interfere in Dutch-Indo negotiations and go beyond quality of intermediary, no one can foresee what future holds.

FOOTE

<sup>12</sup> In telegram 368, September 16, 10 p. m., from Batavia, the Department was informed that, instead of a written answer, the Indonesians sent a Cabinet Minister to talk with Dr. van Mook and to prepare for discussions preceding the arrival of the Netherlands Commission General, then en route to Batavia (856E.00/9-1646).

<sup>13</sup> See footnote 12, above.

<sup>14</sup> The truce talks began September 20 but broke down September 28, upon receipt of fresh demands by the Indonesians.

856E.00/9-2546 : Telegram

*The Chargé in the United Kingdom (Gallman) to the Secretary of State*

SECRET

LONDON, September 25, 1946—noon.  
[Received September 26—12:22 p. m.]

8411. 1. By informal conversation at FonOff incidental to other business, we gather that British appraisal Netherlands Indonesian problem is this:

a. Netherlands made initial error in method by stubborn delay in setting up Commission General, now fortunately ended by its arrival Netherlands East Indies;

b. In substance, British feel on basis of confidential Netherlands disclosure of plans that Netherlands will go too far in self-govt concessions to Indonesians. FonOff officials state categorically that if it were a British problem, British would not make substantial concessions equal to those they have grounds to believe Netherlands intends;

c. British interest would dictate greater formal and smaller substantial concessions, but problem is Netherlands one, delicate and explosive, and FonOff is convinced that British representatives have scrupulously avoided involvement.

2. A genuine Netherlands conviction that British are meddling (Deptel 6762, September 20, 9 p. m.<sup>15</sup>) fits in with nothing observable here. Van Mook apparently requested (confirmed by letter) Killearn preside first meeting.

3. Embassy would be interested in Hague's appraisal.

GALLMAN

856E.51/9-646 : Telegram

*The Acting Secretary of State to the Consul General at Batavia (Foote)*

SECRET

WASHINGTON, October 1, 1946—6 p. m.

306. Netherlands East Indies credits (Contel 650 [Airgram 16?], Aug. 6<sup>16</sup>) are as follows:

(a) \$100 million Eximbank credit for US machinery, equipment, materials, supplies and services, approved by NAC Sept. 1945, but not concluded pending clarification of NEI political situation and, for your information only, satisfactory exchange of notes on commercial policy.

(b) \$100 million surplus property credit signed July 11, 1946 to be used prior to Jan. 1, 1948.

<sup>15</sup> Not printed; it requested London and The Hague (telegram 540) to appraise British influence on the negotiations in the East Indies (856E.00/9-2046).

<sup>16</sup> Not printed.



(c) US Comml Credit Corp. book credit of \$15 million signed Aug. 15, 1946 as part of copra contract for the purchase in US of incentive goods, including textiles, trade goods, supplies, services, and equipment.

(d) Request of Aug. 6, 1946 for \$2,500,000 credit from War Assets Corp. for domestic surplus property now being considered.

No loans or negotiations with private banking institutions known.

ACHESON

856E.00/10-146 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

SECRET

BATAVIA, October 1, 1946—10 p. m.

[Received October 2—10:04 a. m.]

390. Lord Killearn went Singapore today, returning October 5, and First Plenary Session scheduled for October 7. Schermerhorn and Sjahrir lunched with Killearn yesterday in friendly atmosphere. Indo Delegation not yet announced but will be headed by Sjahrir who appears strengthened his position at Djocja.

Killearn does not know what proposals and counter-proposals may be made, but I learned from good authority that Dutch will probably agree recognize Indo republic in Java and Sumatra and lift ban against Soekarno. New republic may not be included in framework of kingdom. Dutch interests here and Indo relations with Netherlands and other parts of NEI will probably be covered in far-reaching treaty, perhaps, in nature of alliance.

Mohammad Hatta, Indo Vice President, stated that ultimate aim of Indo republic is nationalization of industries but this would be done only as fast as republic could recompense owners. This would have far-reaching effect on oil companies and plantation owners. No details yet worked out by Indos.

While paying my respects to members of Dutch Commission General, Schermerhorn alleged somewhat bitterly that United Nations including USA had let Netherlands down; and while "American press now more friendly towards Dutch it is now too late."

Truth is everything is nebulous and no one knows what outcome will be but Van Mook is hopeful of settlement.

FOOTE

856E.00/10-246 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

SECRET

BATAVIA, October 2, 1946—5 p. m.

RUSH

[Received October 2—4:06 p. m.]

392. In long talk with Sjahrir today he voiced great optimism re agreement in near future and said basis of talks to begin October 7

would be Dutch proposals of March 26 (my despatch 32, April 17<sup>17</sup>) and Indonesian counter proposals of last June (my despatch 66, June 23<sup>18</sup>). He said Dutch now more reasonable than before and more interested in economic than political side of picture. Study of two documents cited above confirms second paragraph my telegram 390, October 1, to effect that recognition of Indonesian Republic to be followed by "signing of covenant between Netherlands and Republic" which would protect Dutch economic and other interests here and regulate relations between Republic on one hand and Netherlands and other parts of NEI on the other. Sjahrir said he more hopeful than ever before.

To my questions re continued obstinate reports that new republic would nationalize industries, Sjahrir said such reports completely false. He said I might report to my govt that Indonesian Republic has no intention of adopting such radical measures and that he and his colleagues merely follow Thamrin's policy that more of profits of industries remain here and not all be exported as during past and that big business should carry more burden of govt than heretofore.

Sjahrir asked me to visit him often so he might keep me informed all developments. Killearn also sees me daily to give fill-in.

FOOTE.

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856E.00/10-446 : Telegram

*The Ambassador in the Netherlands (Hornbeck) to the Secretary of State*<sup>19</sup>

SECRET

THE HAGUE, October 4, 1946—noon.

US URGENT

[Received October 4—10:40 a. m.]

795. ReDeptel 540, September 20.<sup>20</sup> Comprehensive canvassing and consideration of Dutch appraisal of realities of situation enables us report as follows:

Dutch feel course pursued by British has created obstacles to prompt and satisfactory settlement through British failure to urge upon Nationalists acceptance proposals which Dutch have made, has created in Indonesian minds impression that British not support Dutch but conversely sympathize with Nationalists, which, in consequence, has strengthened Indonesian intransigence (reEmbtel 662, August 16; 676, August 24; 687, August 29<sup>21</sup>). Note: But see concluding sentences of next paragraph.

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<sup>17</sup> See footnote 61, p. 817.

<sup>18</sup> Not printed.

<sup>19</sup> Repeated by the Department as telegram 7045, October 8, 1 p. m., to London, with request for comment.

<sup>20</sup> See footnote 15, p. 845.

<sup>21</sup> None printed.

They feel British policy of avoiding involvement and preventing Dutch from embarking upon certain essentially defensive military operations has resulted in developments unfortunate for all concerned, some of which easily-to-have-been-prevented—such as cutting off water supplies at Soerabaya and massacre of Chinese at Bangka; that much of past and present revolutionary and chaotic disturbances due to Japanese and Soviet influence and still reinforced by both (estimate 1,000 Japanese officers assisting Republican armed forces); that armed forces of republic (estimated variously at from 75,000 to 200,000 of whom about 25,000 really well “armed”) are only in part loyal thereto; that only area effectively controlled by Republican government is in central Java; that cleavages among Indonesians are many and obvious; that there exists substantial moderate element equal in calibre to Republican leaders which is now inarticulate and powerless but which is loyal to Dutch and will express itself in influential ways as soon as given security; that the Dutch, as soon as responsibility is turned over to them, having more at stake and better understanding the Indonesians and their problems, will find less difficult than the British, the task of extending areas of security and convincing the Indonesians that there is need, in interest all concerned, for cooperation and common effort to proceed in accordance with principles and proposals which Netherlands Government has advanced beginning with Queen’s address of December 1942; that presence of substantial Dutch military and naval forces (they expect to have by end this year total approximately 80,000 army and marines, and to add early next year 20,000) will be effective *ipso facto* in considerable measure and large scale combat operations not be necessary; that some guerilla forces will be troublesome for a good while; that the food situation in the Indies other than in central Java is far from satisfactory; that famine prevails Madoera and republican government doing nothing to relieve it; that situation in Sumatra is more or less obscure and future there problematical; that areas other than Java and Sumatra do not present difficult problems; that one of the most effective instrumentalities which might be brought to bear toward facilitating restoration and maintenance of order in the areas where disorder prevails would be introduction of substantial amounts of consumer goods; that a whispered firm intimation by British and American governments to Soekarno and Sjahrir that those governments are favorably disposed toward and willing to support the Dutch proposals would go far—some say the whole way—toward causing the republican government promptly and reasonably to enter upon and get forward with potentially fruitful negotiation. They volunteer, almost without exception, expressions of appreciation of the services British have rendered, of regret that these have been attended by certain limitations, and of



perplexity re reasoning underlying some features thereof. They deplore and resent Australia's attitude.

Embassy has just received War Dept's intelligence review No. 32, 19 September 1946 and concurs in most of contents article Indonesian independence movement, pages 39-45.

HORNBECK

S56E.00/10-2146: Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

SECRET

BATAVIA, October 21, 1946.

No. 141

[Received November 27.]

SIR: I have the honor to transmit attached<sup>22</sup> an exact copy of the "Resolution of the Plenary Conference" which was adopted by the Dutch and Indonesians on October 14, 1946. Attached thereto is the "Report of the Truce Committee to the Plenary Conference". These documents formed the basis for my telegram number 412 dated October 14, 1946, and sent in three sections.<sup>23</sup>

It will be noted that the truce agreement did not entirely fulfill the demands of the Indonesians, as was reported in my despatch number 139, dated October 21, 1946, File No. 820.<sup>23</sup> In partial explanation thereof, I respectfully submit the following: On Sunday, October 13, Mr. Michael Wright, a member of Lord Killearn's staff, came to my residence and said that the situation was not at all promising and that there appeared to be little hope for a truce agreement. He asked me if there was anything that I could say to Sjahrir that would possibly aid the truce negotiations. I told Mr. Wright that I knew of nothing that could add to the arguments advanced by Lord Killearn. That night, however, I met Mr. Sjahrir at an Indonesian home. Near the close of the evening he asked me if I would visit him at 7:30 the following morning (October 14, the date of the signing of the truce). I then met Mr. Sjahrir the following morning and found him in a most serious mood. For the sake of clarity, I am submitting below a report of our conversation in dialogue form and in exact language as far as I can recall.

SJAHRIR: "What is your personal opinion of the situation? What is the general attitude of your Government?"

FOOTE: "The attitude of my Government is very simple and easy to understand. My Government wants peace and production all over the world—especially in Indonesia. It desires to see men and women happy and enjoying a good standard of living; it desires to purchase the products of Indonesia and to sell our products to the Indonesians;

<sup>22</sup> Enclosures not printed.

<sup>23</sup> Not printed.

it desires to see not only exchanges of commodities but also exchanges of culture, art, science, literature, etc.; in short, we desire to be a good neighbor—and that means a helpful neighbor.”

SJAHIR: “I believe you. Now, tell me your personal opinion of the situation. What can we do? What should we do?”

FOOTE: “My good friend, I fear that my personal opinion would not be worth very much.”

SJAHIR: “Nevertheless, I want to hear it.”

FOOTE: “Then, in giving you my opinion, please regard it as exactly that. I have no instructions to offer an opinion or to seek to influence you in any way.

“I love the Indonesian people and many hundreds of them are old and valued friends; and I, as you well know, have the highest regards for your good self. You now have the complete backing of your people and their leaders. For this reason, I believe that an opportunity has arisen for you to do something great for your people. As you know, more than 5,000,000 Indonesians have died from unnatural causes since the Japanese invasion; your factories are becoming piles of rust and deterioration; your rice fields are too often neglected; men, women and children are hungry, improperly clothed, are suffering from skin and other diseases, due to the lack of proper foodstuffs; the water buffalo has nearly disappeared from the rice fields; hate is growing; the gamelan (native orchestras) no longer plays in the kampongs; the future is dark and apparently hopeless. My opinion is that this beautiful country—one of the most beautiful and most productive on God’s green earth can become happy and its people can smile again. Stop killing, stop the spectre of hunger and disease which is coming closer and closer with appalling speed, stop hatred; rebuild homes, factories, rice fields, forests, roads, bridges, and the world will rally to assist you. As you know, my Government is neutral and I am personally neutral in this struggle, but I say all this for the sake of other millions of your people who will die if this struggle continues indefinitely. That is my personal opinion, my friend Sjahrir.”

SJAHIR then placed his hand on my arm and said, “Thank you!”

As I left his house, the Indonesian truce delegation, composed of generals, the air commodore and the vice-admiral, and others, were waiting to see Sjahrir. I am reliably informed that he repeated to them in substance what I had said to him. He and the delegation then went to meet Lord Killearn at 9:00 a. m. and signed the truce agreement without further argument. Lord Killearn probably heard about my conversation with Sjahrir, because he sent Michael Wright to my house to thank me and to inform me that the agreement had been signed.

I sincerely hope that the Department will not think that I went too far in this matter and that it will approve of my remarks to Sjahrir. The fact is that an atmosphere of good will now exists and both Indonesians and Dutch are apparently making every possible effort to carry out the spirit of the truce agreement. Even Soekarno

has called Soetomo, the fire eater of East Java, to Djocjakarta and has impressed upon him the necessity for carrying out the agreement. Soetomo had announced over his radio that "truce or no truce, the people will obey me and will continue the fight for freedom".

Respectfully yours,

WALTER A. FOOTE

S56E.00/10-2346

*The British Ambassador (Inverchapel) to the Secretary of State*

No. 582

Ref. G.57/26/46

His Majesty's Ambassador presents his compliments to the Secretary of State and has the honour to inform him that the Supreme Allied Commander, South East Asia, expects to complete the tasks allotted to him in Java and Sumatra by the 30th November, and His Majesty's Government therefore propose to withdraw all British and Indian troops from Java and Sumatra by that date.<sup>24</sup>

WASHINGTON, October 23, 1946.

856E.00/11-846 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

SECRET

BATAVIA, November 8, 1946—3 p. m.  
[Received November 9—12:12 p. m.]

443. Mytel 412, October 14<sup>25</sup> re truce. Cease fire and stand fast order issued November 4 by joint high level truce committee being implemented generally but some slight action around Medan and sniping by irregulars in other places.

Mytel 437, November 1<sup>25</sup> re negotiations: Dutch and Indonesians been in constant touch trying find solution and only problem now blocking agreement is the link with Netherlands kingdom. In meantime joint Dutch-Indonesian committees established for finance, internal administration, economic affairs, public health, and others, all preparing for future if agreement reached.

There is ground for hope that agreement will be reached during coming week but if not reached further chaos may be expected. Sjahrir and other leaders see desperate need for peace and are trying overcome influence of sole extremists who pulling other direction.

<sup>24</sup> In despatch 172, December 12, from Batavia, Mr. Foote reported withdrawal of British forces from the Netherlands East Indies on November 30 and simultaneous termination of AMACAB (Allied Military Administration—Civil Affairs Branch), which had given the Commander in Chief of Allied Forces "paramount authority over the Netherlands Indian Government". (S56E.01/12-1246)

<sup>25</sup> Not printed.



Good signs are work of above-mentioned committees; Sjahrir's departure today with entire Cabinet for Djokjakarta to lay matter before Soekarno and Hatta and other leaders; and preparations being made for Commission General to meet Soekarno and other leaders at Cheribon probably next week.

Sjahrir asked me visit him on November 4 to explain situation. At press conference next day Indonesian correspondent asked him to what extent USA intervenes in Indonesian affairs. Sjahrir replied: "USA merely wants to be kept posted on course present talks. It is also wish of USA that Indonesian troubles be settled soon as possible." Above statement published by Indonesian Ministry of Information and widely circulated.

FOOTE

856E.00/11-946 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

CONFIDENTIAL

BATAVIA, November 13, 1946—9 a. m.

RUSH

[Received November 13—7:38 a. m.]

449. Mytel 447, November 9.<sup>26</sup> Just informed that Dutch and Indonesians reached agreement yesterday at Cheribon. Details of 17-point agreement not yet available but known to include following: recognition of republic in Java and Sumatra; republic to join United States of Indonesia; the USI to remain within framework of kingdom; delegations to come to Batavia to iron out small points; commission general then to proceed to Hague to report to Netherlands Govt.

Full details will follow when available.<sup>27</sup>

FOOTE

856E.00/11-1446 : Telegram

*The Acting Secretary of State to the Ambassador in the Netherlands (Hornbeck)*

SECRET

WASHINGTON, November 19, 1946—6 p. m.

650. For your info following from London:

"9502, November 14, 5 p. m. Urgent. Denning and Allen in talks with Moffat <sup>28</sup> state there has been some hardening of Dutch attitude

<sup>26</sup> Not printed; it reported the plan to meet at Cheribon. Mr. Foote concluded: "It appears to me that meeting with Soekarno, Hatta and Indonesian Cabinet on Indonesian territory indicates desire for settlement with fullest backing for Sjahrir." (856E.00/11-946)

<sup>27</sup> Details not printed; the agreement was initialed on November 15, a summary published on November 16, and the text made public on November 18.

<sup>28</sup> The Chief of the Division of Southeast Asian Affairs was on a visit to London and The Hague.

recently and anticipate adverse Dutch Parliamentary reaction Indonesian agreement due to be initialled November 15. They state Commission General due return immediately thereafter to Hague. Foreign Office has not yet seen text but expects receipt hourly. British intend without commenting details to stress to Dutch whenever possible serious danger to Netherlands if agreement rejected. They believe large scale warfare would result and Dutch could not afford campaign even though probably successful ultimately. Denning hopes US also will urge Netherlands not reject agreement. He fears even Parliamentary delays may provoke dangerous reaction impatient Indonesians.

Allen considers probable Indonesians will request, possibly with Dutch support, that UK, US and possibly other powers guarantee fair fulfillment agreement. Moffat expressed personal view US would not wish underwrite a Netherlands-Indonesian agreement. Allen stated Foreign Office felt same way and would probably in response such request suggest UN appropriate body for such undertaking. This though[t] feasible if Netherlands and Indonesians so request when registering agreement."

Dept shares view para 1 above and considers prompt ratification by Dutch essential in order prevent hardening attitude extremist elements Indonesia and increasing difficulty Indonesian negotiators in obtaining full support. This position taken irrespective substance of agreement, full text of which not yet recd. Undersecy has already spoken informally to Van Boetzelaer<sup>29</sup> above theme. Request you take appropriate opportunities make this view known in Hague.<sup>30</sup>

ACHESON

856D.00/11-2746

*Memorandum Prepared for the Acting Secretary of State*<sup>31</sup>

SECRET

[WASHINGTON,] November 27, 1946.

Subject: Forthcoming Meeting with the Netherlands Ambassador  
Concerning the Dutch-Indonesian Draft Agreement.

The main features of the political structure envisaged in the Dutch-Indonesian Agreement are the following:

1. Immediate recognition by the Netherlands of the Republic of Indonesia as having *de facto* authority over Java, Madura, and

<sup>29</sup> Under Secretary of State Acheson conversed with the Netherlands Minister for Foreign Affairs, who was on a visit to Washington.

<sup>30</sup> In telegram 7792, November 19, 6 p. m., to London, the Department briefly reported its position and added it was "receptive suggestions from Brit FonOff re other appropriate means encouraging prompt ratification." (856E.00/11-1746) In telegram 928, November 21, 10 a. m., from The Hague, Ambassador Hornbeck reported finding Foreign Office in concurrence with the Department's position (856E.00/11-2146).

<sup>31</sup> Submitted to Mr. Acheson by the Director of the Office of Far Eastern Affairs (Vincent) and the Deputy Director of the Office of European Affairs (Hickerson).

Sumatra. Gradual inclusion of Allied-held enclaves in territory of Republic.

2. Agreement to cooperate in the formation (before January 1, 1949) of a sovereign democratic state on a federal basis, the United States of Indonesia, comprising the territory of the Republic, Borneo, and the Great East. However, a provision is made for the peoples of territories other than those of the Republic to opt for a "special relationship" if they so desire.

3. The constitution of the United States of Indonesia shall be determined by democratically elected representatives of the states involved, with due consideration of the rights of minority groups.

4. Agreement by the Netherlands and the Republic of Indonesia to cooperate in the establishment (before January 1, 1949) of a Netherlands-Indonesian Union, comprising the Netherlands Kingdom (metropolitan Netherlands, Curacao, and Surinam), on the one hand, and the United States of Indonesia, on the other hand. The Union shall set up its own organs to act in matters of foreign relations, defense, finance, and economic and cultural matters.

5. The King (Queen) of the Netherlands shall be at the head of the Netherlands-Indonesian Union. High Commissioners shall be appointed by both parties to the Union, each to the other.

6. Immediately after the formation of the Netherlands-Indonesian Union, the Netherlands shall sponsor the USI for admission to UN.

We believe that the Netherlands Ambassador should be told that the Department welcomed the news that an agreement had been reached between the Dutch Commission General and the Indonesian negotiators, even before the terms of the agreement were known. From the outset, this Government had been concerned lest the continued political disturbances in the Netherlands East Indies should develop into a full-scale war, and had on several occasions urged upon the Netherlands Government the necessity for a prompt and peaceful solution. When the question was brought before the Security Council last February, our position was based on the belief that the Netherlands Government would be able to work out a statesmanlike formula which would be acceptable to both parties, meeting, on the one hand, the justifiable Indonesian desire for self-determination and preserving, on the other hand, the Netherlands' ties with the Indies.

After a study of the text of the agreement, we think that the persevering efforts of the Netherlands Government to reach a stable and equitable settlement are close to fulfillment. While certain sections of the agreement (e.g., Article XV) are admittedly vague, the general tenor of the text gives grounds for the belief that those points which are as yet unsettled will be worked out with mutual good will and to the satisfaction of both parties.

Regarding the question of ratification, we feel that two points should be kept in mind. The first concerns the terms of the agreement itself. We think that the agreement represents an equitable and work-



able compromise, and that the negotiators on both sides deserve the backing of their respective governments. The second point concerns the alternative to ratification. In the opinion of this Government, a failure on either side to ratify this agreement, or a protracted delay in ratification, will lead to a deterioration in good will so severe as to render impossible the resumption of negotiations. In this latter event, it seems likely that open warfare will break out and that in any case the most radical elements in Indonesia will seize power. Such a situation would provide the most favorable conditions for Communist infiltration.

J[OHN] C[ARTER] V[INCENT]  
J[OHN] D. H[ICKERSON]

501.BD/11-2746

*Memorandum of Conversation, by the Acting Secretary of State*

[Extract]

[WASHINGTON,] November 27, 1946.

Participants: Mr. Acheson, Acting Secretary of State  
Dr. Loudon, Netherlands Ambassador

The Ambassador then declared that he wished to speak informally with regard to the Netherlands-Indonesian Agreement and that his remarks were purely personal and should not be construed as a diplomatic *démarche*. He asked what we thought of the Agreement and I replied that we had welcomed the news that an Agreement had been reached by the Dutch commissioners and the Indonesians. I said we had given careful study to its text which appeared to provide a good working basis despite the fact that certain sections are admittedly vague. Dr. Loudon said that it was these vague provisions governing the "elaboration" (implementation) of the Agreement which cause him personal concern. "Where do we go from here?" he queried, using this phrase at frequent intervals. He expressed the personal conviction that the Catholic, Labor and Communist Parties in the Dutch Parliament would have sufficient votes to ratify the Agreement which he anticipated would occur within two weeks, possibly much sooner. He declared that Ambassador van Starckenborgh,<sup>32</sup> with whom he talked yesterday, concurred in his optimism regarding ratification but was extremely pessimistic regarding the possibility of "elaborating" the Agreement. Dr. Loudon, on the other hand, is optimistic that the Agreement can be worked out but

<sup>32</sup> Former Governor-General, Netherlands East Indies.

confessed some fear that in so doing the Indonesians might choose to be guided by Sjahrir's political manifesto which attacked Western Capitalism as the Indonesians' greatest enemy. Dr. Loudon expressed his keen personal desire that the resources of the Netherlands Indies should not be lost to western civilization and in support of his fears of developments that could be expected if the Indonesians were not reasonable, he cited a passage from a speech by Mr. John Carter Vincent, as reprinted in *World Report* for November 26, page 47, reading as follows: "I believe it is unsound to invest private or public capital in countries where there is widespread corruption in business and official circles, . . .<sup>33</sup> where the threat or fact of civil war exists, where tendencies toward government monopolization exclude American business, or where undemocratic concepts of government are controlling." To provide against immoderate or irrational demands by the Indonesians in "elaborating" the Agreement which would result in such a state of affairs in Indonesia and to provide a fillip for his personal optimism which he claimed was shared by none of his colleagues here, the Ambassador suggested that the US sound a note of warning to the Indos to use moderation and reason in negotiating with the Dutch in the implementation of the Agreement.

I told the Ambassador that his views were interesting to the Department. I pointed out, however, that I did not consider the present an appropriate time for the Department to issue any note of warning to the Indonesians but that a time might come when we would find his suggestion desirable. I said that after his views had been given careful consideration, I would discuss the matter again with him. In closing, he reiterated that his discussion of the Agreement was undertaken without instructions from his Government and that it should be regarded as a personal conversation without any of the implications of a diplomatic *démarche*.

D[EAN] A[CHESON]

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856E.00/12-246 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

SECRET

BATAVIA, December 2, 1946—11 p. m.

URGENT

[Received December 3—9:55 a. m.]

462. Local reactions to Dutch-Indonesian draft treaty are varied and indicate high degree of confusion. Some Dutch believe draft agreement is fair and just, others believe its ratification will end Dutch and other occidental influence here, some have confidence in Indonesian leaders while others have none, some believe Indonesians will live up to agreement and others believe they have no intention of doing

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<sup>33</sup> Omission indicated in the original memorandum.

so and all believe that with each day's delay in Netherlands chances of success tend to fade out.

Eurasians are opposed, claiming Dutch letting them down.

Indonesian reactions are still more varied and often violent. Soekarno says: "Republican areas are now completely independent since Dutch have given Indonesians authority over Java, Sumatra, Madoera, Bangka, Billiton, et cetera." Fact is Bangka and Billiton not handed over to Indonesians.

Sjahrir says: "Agreement is merely one step towards complete independence of Indonesia."

General Soedirman, Commander-in-Chief Indonesian armed forces, addressed his troops on November 20 saying, "never mind about the agreement, just keep on fighting for independence of Indonesia".

Indonesian newspaper *Merdeka* said: "Agreement is diplomatic defeat for Indonesia. If we ratify, it must be with understanding that it is necessary temporary step. Queen is merely symbol so there no objection to Article 8. Republic may handle its own foreign affairs."

Soetomo, east Java leader, is violently opposed to Article 8.

Indonesian Republican radio announced that approval of agreement would not end struggle for independence.

Hadji Agoes Salim, strong Moslem leader, said draft treaty gives Indonesians more than they expected.

Two of strongest Indonesian political parties, Partai Nasional Indonesia and Muhammadiyah, have voted against draft agreement.

Sarwono, Indonesian leader east coast of Sumatra, says, "Even if Nationalist Party agrees to treaty, youth movement will continue to fight".

Violent discussions have occurred in Indonesian Cabinet re position of the Queen and restitution of private property in Java and Sumatra.

Indonesian Govt information service at Djocja gives following official outline of propaganda policy: draft treaty is first phase in obtaining 100% independence; name USI was accepted to bring outer possessions closer to Java and Sumatra; Kingdom of Netherlands influence will be liquidated, sovereign Indonesia will come into existence and will not belong to Kingdom of Netherlands; Dutch crown is related to the union only and has nothing to say re internal problems of the state.

Congress of Pemoedas (youth movement) resolved that agreement is disappointing; cooperation with Dutch in organizing United States of Indonesia is possible so that USI may all become sovereign Indonesian republic.

My opinion is with exception of small group moderate leaders, Indonesians have no intention living up to agreement and will circumvent it in every way possible. Even if agreement is ratified, struggle



will continue with armed clashes and increased chaos for at least two years. Moderate Indonesians are struggling for ratification but they are outnumbered ten to one by extremists. On other hand, unexpected often happens here and if Soekarno and his moderates can control the others peace may be restored. At any rate I am not optimistic re next two years.

FOOTE

856E.01/12-1846 : Telegram

*The Secretary of State to the Ambassador in the Netherlands  
(Hornbeck)*

SECRET

WASHINGTON, December 19, 1946—7 p. m.

712. Urtel 990 Dec 18.<sup>34</sup> Dutch Ambassador called at Dept yesterday afternoon on instructions from his Govt and, in reply to his inquiry, was assured we had no intention in issuing our release<sup>35</sup> of influencing action in the States General and that it had been our clear understanding that authorization for signature had been given.<sup>36</sup> He was told that he could so inform his Govt.

Statement Dec 10 in Aneta, official Dutch News Agency, reads "The Netherlands Government announced today that it had authorized the Commission General for the Netherlands Indies to sign the draft agreement".

You may, in your discretion, inform FonOff our position as outlined above, adding that we would regret interpretation Dept's release which caused embarrassment Dutch Govt.

For your secret info: Loudon stated that speaking personally he was gratified by both fact and content Dept release.

BYRNES

856E.00/12-1946 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

RESTRICTED

BATAVIA, December 19, 1946—11 p. m.

[Received December 21—4:17 p. m.]

487. Denpasar conference to establish government of state of East Indonesia (no longer called Great East) opened formally by Van Mook December 18. In speech of moderate length he urged delegates avoid discord and cooperate sincerely in setting up what will be first component of United States of Indonesia. Said important get basic

<sup>34</sup> Not printed.

<sup>35</sup> For text of statement released December 17, see Department of State *Bulletin*, December 29, 1946, p. 1188.

<sup>36</sup> On December 20 the Netherlands Parliament gave the necessary approval (telegram 998, December 20, from The Hague, filed under 856E.01/12-2046).

organs such as legislature established quickly in order that East Indonesia may enter discussions with Borneo Republic and Netherlands on equal basis as a firmly founded and functioning autonomous unit.

He pointed out that delegates must now complete work begun at Malino and continued at Pangkalpinang and that result must be in accordance with Linggadjati.<sup>37</sup> Said conference had opportunity to prove that more could be obtained by legal than illegal means. Asserted most difficult task would be deciding what powers granted to Federal government and what reserved to state, and that conference's decisions thus not confined to state alone but would contribute to establishment of United States of Indonesia.

Admitting East Indonesia less advancing than other parts Netherlands Indies, speaker pointed out two characteristic advantages. Its formation of many islands has led to superior development maritime activities while especially large number diversity races, religions has produced extraordinary degree tolerance. Urged delegates display such self assurance as to impress and attract sinecure Republican opponents.

FOOTE

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856E.00/12-3046 : Telegram

*The Consul General at Batavia (Foote) to the Secretary of State*

CONFIDENTIAL

BATAVIA, December 30, 1946—11 p. m.

RUSH

[Received December 31—6:05 p. m.]

496. Soedirman made statement<sup>38</sup> quoted mytel 462, December 2, at same time Soekarno was trying gain supporters for Linggadjati agreement. His attitude and actions had been thorn in side of British forces Java, and his subsequent anti-Dutch speeches and orders to troops caused Soekarno call him on carpet to tell him adopt new attitude. One result was conference at Soekarno's palace Djocja on December 23 attended by Soekarno, Soedirman, his Chief of Staff, and Indonesian Minister of Defense Sjarifoeddin. On December 26 Soedirman broadcast new orders to Indonesian Army to following effect:

(1) Continue fighting and not be discouraged by actions Dutch troops and their supporters.

(2) Increase national unity to improve cooperation of all forces.

(3) Send as many Lasjkars (irregulars) as possible to certain front lines.

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<sup>37</sup> Agreement initialed November 15.

<sup>38</sup> In telegram 379, December 27, 7 p. m., to Batavia, the Department requested clarification of General Soedirman's position; it had been given various interpretations since November 21 (856E.00/12-546).

- (4) Send as many arms and supplies as possible to front lines.
- (5) Increase organization and not act on self initiative.
- (6) Continue be prepared, strong, cautious and ready.

Soedirman closed broadcast with these words: "Siap, madjoe, djalan, merdeka" (Be prepared, advance, march, freedom).

Soedirman is personally opposed to agreement, but will probably obey Soekarno if he sees his own position jeopardized. He will align himself with extremists if he thinks same will be successful. One Indonesian leader told me Soedirman was one of bad apples which Soekarno may be forced remove from basket to save good ones. His ambition will probably give way before Soekarno's orders unless he thinks Soekarno losing prestige.

Indonesian radio and press trying minimize effects Soedirman's remarks because [apparent omission] and other countries may think Indonesian leaders not in agreement. Soedirman and others being watched closely, and any important developments will be reported.

FOOTE



## PHILIPPINES

### THE GRANT BY THE UNITED STATES OF INDEPENDENCE TO THE PHILIPPINES<sup>1</sup>

611.11B31/1-1046

*The Secretary of Agriculture (Anderson) to President Truman*<sup>2</sup>

WASHINGTON, January 7, 1946.

DEAR MR. PRESIDENT: Chairman Doughton<sup>3</sup> of the House Ways and Means Committee has asked this Department for a report on H. R. 4676, a bill "to provide for future trade relations between the United States and the Philippine Islands." Chairman Doughton has asked us for our comments and recommendations with particular reference to domestic production in the case of sugar, tobacco and fats and oils and also our opinion in regard to the effect of this bill on sugar producers throughout the Western Hemisphere.

It is my understanding, on the basis of oral discussion with you, that the Administration is committed to the general policy outlined in this bill involving, primarily, a period of eight years of free trade between the United States and the Philippines, to be followed by a period of twenty-five years of declining preferences.

Before replying to Mr. Doughton's letter, however, I think I should call your attention to certain difficulties that this program creates in regard to agricultural matters, particularly in respect to sugar. The bill contemplates a continuation over a long period of years of a substantially greater preference in the United States market for Philip-

<sup>1</sup> For previous documentation on the Philippine Commonwealth, see *Foreign Relations*, 1945 vol. vi, pp. 1193 ff. Additional material is printed in various issues of the Department of State *Bulletin* for 1946. For exchange of notes between the U. S. and Bolivian Governments in regard to treaty obligations and Philippine independence, see *ibid.*, June 16, 1946, p. 1049. For replies to American note on customs preferences for the United States as regards the Philippines, received from Belgium, Denmark, the Dominican Republic, Egypt, Ethiopia, Norway, Portugal, Spain, and Yugoslavia, see the *Bulletin*, July-December 1946, pp. 79, 596, 691, 431, 235, 38, 463, 174, and 726, respectively. For understandings effected through exchanges of notes between the U. S. and other Governments regarding application of certain treaties and agreements on trade relations with the Philippines, see Department of State, *Treaties and Other International Acts Series No. 1572*. For articles on Philippine independence, see Department of State *Bulletin*, June 9, 1946, p. 980, and *ibid.*, September 15, 1946, p. 475. Articles on other matters may be found in the following issues of the *Bulletin*, 1946: February 3, p. 148; May 5, p. 773; August 15, p. 430; and November 3, p. 826.

<sup>2</sup> Copy transmitted to the Secretary of State by President Truman on January 10, 1946, with a request for comment.

<sup>3</sup> Robert L. Doughton, of North Carolina, House of Representatives.

pine sugar than is now true in respect to sugar imported from Cuba. This fact has added significantly to the very considerable difficulties already present in respect to our negotiations with regard to Cuban sugar.

In addition to this, it is my understanding that great stress was laid by the United States participants in the recent discussions with the British in regard to the loan agreement on the necessity for the abandonment of tariff preferences within the British Empire. It was agreed in that connection to include Cuba among the countries with which negotiations would be held next spring, primarily because that is the only country at the present time, other than the Philippines, with which the United States does have preferential trade relations. It seems certain that, in connection with the forthcoming trade agreement negotiations, the United Kingdom, as well as other countries, will call attention to the inconsistency of our maintaining preferential trade relations with Cuba and, if the legislation under review is passed, with the Philippines, while at the same time demanding the abolition of tariff preferences elsewhere.

Cuba can not fail to sense this situation. Consequently she will see herself confronted, on the one hand, with the request for abolition of tariff preferentials as between herself and the United States and, on the other hand, with the proposal to continue over a long period of years an even more substantial preferential system between the United States and the Philippines.

It seems obvious to me that our general position with respect to trade preferences, our current preferential relationship with Cuba, and the proposed relationship with the Philippines, as embodied in H. R. 4676, are highly inconsistent. This, however, is a matter of highest policy which is not primarily within the jurisdiction of this Department.

For the future this dilemma might be solved by entirely eliminating the duties on our sugar imports under existing quota legislation. Probably this should be done in connection with future sugar legislation. This would not harm the domestic producers whose protection rests essentially on the quota system. Quotas determine the volume of domestic production as well as the volume of sugar imports and the share of foreign countries in these imports. Our sugar duties, therefore, operate to decrease the income of foreign producers without benefiting domestic producers.

In the meantime, I should like specifically to suggest in our letter to the Ways and Means Committee that the bill providing for future trade relations between the United States and the Philippine Islands should not make any commitments, actual or implied, which would have the effect of tying the hands of this government in respect

to import quota arrangements on sugar which may in the future be developed, either in connection with domestic sugar legislation or in connection with possible future international sugar agreements. I should like to make this point in my report in such a way as to give some assurance to Cuba at this time that her historic position as a supplier of sugar to the United States market is not going to be sacrificed in the interest of sugar from the Philippine Islands.

Do you see any objection to this procedure?

Respectfully yours,

CLINTON ANDERSON

611.11B31/1-1046

*The United States High Commissioner in the Philippines (McNutt)  
to Mr. Richard R. Ely, of the Office of United States High Commissioner, Washington*

CONFIDENTIAL

MANILA, January 18, 1946.

PIW 101. Reference your HCW 45 January 15, I wish first to make following summary comment:

1. The purpose of the Bell <sup>4</sup> Bill is the rehabilitation of Philippine export economy and not to grant preferences to the Philippines for an indefinite period.

2. Effect of bill will be to help restore Philippines to position it occupied before war in world sugar market. Fact of war should not be permitted to give producers who were not involved in war special advantage.

3. Question of abolishing sugar duties is not pertinent to Bell Bill.

4. Philippines have a claim on United States superior to claim of any country or any economic group.

5. Accident of independence coming on heels of war does not minimize United States responsibility to restore Philippine economy.

Please request Secretary Ickes <sup>5</sup> to forward to the President and if the President agrees, to Chairman Doughton and Judge Bell the following letter:

January 18, 1946.

For the President

In reply to Secretary Anderson's letter to you dated January 7 relating to HR 4676, I wish in the interests of Philippine American relations to offer the following comment:

It is accepted that the provisions for preferentials for the Philippines in HR 4676 are presently inconsistent with our general position with respect to trade preferences and with our preferences with Cuba (though apparently admissible under the latest revision of our treaty

<sup>4</sup> Judge C. Jasper Bell, of Missouri, Chairman of the Committee on Insular Affairs, House of Representatives.

<sup>5</sup> Harold L. Ickes, Secretary of the Interior.



with Cuba). All reasons for administrative sponsorship of HR 4676 are of a nature that transcend the advantages of rigid adherence to normal policies. The more compelling reasons arise from the nature of our past Philippine policy and from the war.

Our Philippine commercial policy from 1909 to 1941 was one of reciprocal free trade with the preferentials available to Philippine products in the United States market increasing with each upward revision of our tariff.

This policy drove land utilization, labor technique, and capital investment in the Philippines into lines of production which could profit by the preferentials.

In 1933, Congress in the enactment of a measure for political independence (47 Stat. 761) provided a period of 5 years (1941 to 1946) for adjustment of Philippine economy to a position independent of trade differences. The measure required acceptance by the Philippine legislature. This was widely debated and rejected (Philippine concurrent resolution 46); again offered (48 Stat. 456) and accepted by Philippine concurrent resolution of May 1, 1934 (with the reservation that reliance was had on a statement of the President of the United States which gave some promise of a reconsideration of the drastic economic provisions). The President acting through the Department of State set up the Joint Preparatory Committee on Philippine Affairs. The Committee reported (1938) in favor of:

- (a) Minor immediate remedies, and
- (b) A lengthy post independence period of gradual withdrawal of the trade preferences.

At the time, in my comment to the President on the report, I took occasion to issue the warning that economic adjustment should precede rather than follow political independence and I pointed out the difficulties of the post independence gradual withdrawal of preferences.

The President endorsed the report to Congress for action. Congress enacted the immediate remedies (53 Stat. 1226 see also 55 Stat. 852) but left further consideration of post independence trade relations to be restudied by a joint trade conference to be called 2 years prior to independence (53 Stat. 1226 Sec. 13). By further amendment in June 1944 Congress created a Joint Rehabilitation Commission, and among other duties assigned to it the function of proposing measures for post independence trade relations. The Philippine members requested a post war post independence period of 20 years reciprocal free trade (the original Bell Bill), which was supported among executive departments only by Interior, with State in active opposition. Conferences between the President, Secretary Byrnes, Under Secretaries Clayton<sup>6</sup> and Fortas,<sup>7</sup> Senator Tydings,<sup>8</sup> Judge Bell and myself resulted in an agreement for administrative support for the revised Bell Bill, now cited as HR 4676 which proposes a post war post independence plan of 8 years reciprocal free trade followed by 25 years of gradual withdrawal of trade preferences. President Osmeña was informed of the agreement and he has passed this information on to his people.

<sup>6</sup> William L. Clayton, Assistant Secretary of State for Economic Affairs.

<sup>7</sup> Abe Fortas, Under Secretary of the Interior.

<sup>8</sup> Millard E. Tydings, of Maryland, co-author of the Philippine Independence Act of 1934.

One is forced to conclude that the institution in 1909 of reciprocal free trade and its continuance virtually to 1941 over territory which was pledged from the first to advance to a position of self government and, after 1916, to a position of independence was unwise in that it embraced the mutually exclusive aims of political separatism and economic and financial dependence. It should be obvious that after over 30 years of forced development into almost complete economic dependence a sudden reversal of economy is impossible without courting disaster. The mistake was ours and we have an obligation to adopt remedial measures which will not destroy Philippine economy.

From the standpoint of the war and its after effects, the case for HR 4676 is strong. The Filipino people know that the principal duty of a sovereign toward its wards is to protect them from external aggression, and they know that we failed miserably in this. Nevertheless, they have taken it with unusual stoicism, loyalty, and good grace. During the lengthy and cruel occupation of the enemy, stalwart elements of the population conducted a widespread and effective resistance movement which greatly aided our armed forces and advanced the day of victory.

All transport and communications and most of the physical and financial facilities for the production of export goods and the conduct of trade were destroyed as a consequence of the selection of the Philippines as the principal battle field of the war in the Pacific.

The people of the Philippines were encouraged by executive pronouncement and in propaganda directed by official agencies during invasion and reoccupation to expect a generous and effective program of rehabilitation. Even if these pronouncements and propaganda had not been issued, they would have been justified in their hopes for restoration by reason of our long established reputation for magnanimity at home and abroad. Yet to date we have taken no substantial official action toward rehabilitation.

We have boasted long of our enlightened policy in the Philippines and we have assumed that the example of their independence will serve to destroy European imperialism in Asia. Every institution of freedom which we erected here—public schools, health service, good roads, democracy—has been impaired and I seriously doubt that they can be restored in an environment of the economic depression which will ensue upon adoption of a trade measure less favorable than HR 4676. A disastrous end to our experiment here means more than a loss of pride on our part, and misery for the Filipinos. It would mean disillusionment for all Asia and reinforcement of European imperialism.

The situation here is critical. It does not at this moment seem humanly possible for the Filipino people, ravaged and demoralized by the cruelest and most destructive of wars, politically split between loyalists and enemy collaborators, with several sizeable well armed dissident groups still at large (Mohamedan elements, certain bands of ex guerillas, the Agrarians usually known as the Hukbalajaps) to cope with the coincidence of political independence, sharp downward revision of economic standards, budgetary bankruptcy, and rehabilitation.

It is with extreme regret that I report my anticipation of a bitter Filipino reaction against the United States and Americans if we fail in rehabilitation of their destroyed cities, industries, trade, and finance.



The loyalty and sacrifice of the Filipinos in the war which was more ours than theirs gave us the opportunity to create an era of good feeling and outpost of Americanism in the Far East. In the absence of effective rehabilitation, this opportunity is disappearing, and I look upon HR 4676 as a central feature in rehabilitation.<sup>9</sup>

PAUL V. McNUTT

811.5211B/1-2146

*The Secretary of the Interior (Ickes) to the Secretary of State*

WASHINGTON, January 21, 1946.

MY DEAR MR. SECRETARY: With reference to Mr. Acheson's <sup>10</sup> communications of October 12, 1945,<sup>11</sup> concerning a protest filed by the Chinese Ambassador, and of December 13, 1945,<sup>12</sup> acknowledged on December 26, 1945, there are enclosed copies of two letters dated January 7, to the President of the Philippines from the United States High Commissioner to the Philippine Islands. One is a formal expression of appreciation of the veto of bills for the nationalization of labor and retail trade, suggested in your communication of December 13, 1945. The other is a detailed exposition of comments contained in your letter of December 13, with respect to remaining Philippine measures of discrimination, with a request that remedial action be taken.

Sincerely yours,

HAROLD L. ICKES

[Enclosure]

*The United States High Commissioner in the Philippines (McNutt) to the President of the Commonwealth of the Philippines (Osmeña)*

MANILA, January 7, 1946.

MY DEAR PRESIDENT OSMEÑA: As mentioned in my letter of this date <sup>13</sup> relating to the appreciation for your vetoes of the bills for the nationalization of labor and retail trade expressed by the Acting Secretary of State, I wish both at his direction and on my own responsibility to invite your attention to two remaining measures of discrimination against foreigners in the Philippines: (1) Manila city ordinance No. 2898, August 28, 1941 which excludes foreigners from renting market stalls, and (2) Paragraph 5 of Department of Justice

<sup>9</sup> The Chief of the Division of Philippine Affairs (Lockhart) noted on January 23: "In my judgment it is a good letter and has some unanswerable argument." (611.11B31/1-1046)

<sup>10</sup> Dean G. Acheson, Under Secretary of State.

<sup>11</sup> *Foreign Relations*, 1945, vol. vi, p. 1228.

<sup>12</sup> *Ibid.*, p. 1229.

<sup>13</sup> Not printed.



Circular No. 14, August 25, 1945 which prevents the registration of deeds which transfer assign or encumber to an alien any right interest or title to real property.

The Department of State informs me that these provisions are in conflict with treaties between the United States and foreign countries applicable to the Philippines. It is believed that the contravening provision of Department of Justice Circular No. 14 is based on an interpretation of Section 123 of Commonwealth Act 141 as amended, but this circumstance does not afford satisfactory justification. If the interpretation stands, it only serves to place the statutory provision itself in conflict with the treaties. A note of the Department of State, "Treaty Obligations of the United States with Respect to Commercial Activity by Chinese and Other Aliens in the Philippine Islands" is enclosed <sup>14</sup> with this letter. Attention is specially invited to the first paragraph and to the conclusions of the note.

There are other cogent reasons for immediate remedy. The Department of State reports that the United States Government hopes to negotiate a commercial treaty with the Philippines which would grant on a mutual basis the right to lease land for designated purposes and provide that American nationals, corporations and associations shall have the right to acquire, own and dispose of real property in the Philippines. This treaty is inherent in the provisions of the Bell Bill now pending which also provides valuable trade preferences for the Philippines. I must frankly state that if the Philippine Government anticipates that Americans legally resident in the Philippines shall after independence enjoy less rights than are commonly granted in the foreign treaties and commercial conventions between the United States and friendly countries, the Department of State and the Congress should be so informed.

It must be further considered that the President will in the near future invite foreign governments to agree to recognize the independent Philippines. Foreign governments who so agree will desire to enter into most-favored-nation treaties with the independent Philippines. If the Philippines should decline to enter into such treaties, it may find it difficult to obtain protection and fair treatment of its nationals and products. Moreover, it appears doubtful whether the Philippines could retain its position as one of the United Nations should it follow a policy of discrimination against foreigners.

The organic act respecting the Philippines provides that the foreign affairs of the Philippines are under the direct supervision and control of the United States. Measures which discriminate against aliens are foreign affairs. To implement this provision, the organic act provides that the President has authority to suspend the operation

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<sup>14</sup> Not printed.

of any measure which in his judgment will violate international obligations of the United States. The Acting Secretary of State has suggested that consideration be given to the advisability of invoking this provision if necessary to remedy the remaining Philippine measures of discrimination against aliens.

Personally, I prefer that the remedy be applied through Commonwealth executive action. I understand that the Commonwealth Department of the Interior has control over city ordinances, and that the Commonwealth Secretary of Justice may revoke the provisions of his Circular No. 14. I must request, as I hereby do, that you proceed without delay to take the needed action. I am requesting Captain Ehrlich, Legal Adviser of this office, to present a copy of this letter to the Commonwealth Secretary of Justice, and to offer him his assistance in drawing up the remedial documents which, if you desire, may be submitted to the Secretary of State for his comment prior to issue. Will you please instruct the Commonwealth Secretary of Justice to work with Captain Ehrlich as steadily as possible until the task is completed?

Sincerely yours,

PAUL V. McNUTT

611.11B31/1-1046

*Memorandum by the Secretary of State to President Truman*

WASHINGTON, January 28, 1946.

Subject: Secretary Anderson's Proposals with Respect to H. R. 4676, the Philippine Trade Bill

I refer to your memorandum of January 10, 1946<sup>15</sup> and to the attached copy of Secretary Anderson's letter of January 7, which deals with (1) the problem of reconciling, particularly in the case of sugar, the differences in our proposed treatment of Cuba and of the Philippines with respect to tariff preferences, (2) the difficulties which this proposed difference of treatment has caused in the negotiations for the purchase of Cuban sugar, and (3) the question of the size of the Philippine and Cuban sugar quotas.

As a solution to these problems, the Secretary of Agriculture has recommended that:

(1) duties on our sugar imports within quotas established by sugar legislation or international agreement with respect to sugar might be entirely eliminated, and that

(2) no commitments be made in H. R. 4676 which would have the effect of tying the hands of this Government with respect to import quota arrangements on sugar which may be developed in the future in connection with domestic sugar legislation or international agreements.

<sup>15</sup> See footnote 2, p. 861.

With respect to the first recommendation of the Department of Agriculture, this Department believes that it would be undesirable to propose, in connection with the Philippine Trade Bill, the elimination of all sugar duties. The Department believes that such a proposal would introduce a controversial political issue of concern not only to the Philippines and Cuba but to all producers of sugar, domestic as well as foreign, and that enactment of the Philippine Trade Bill might be further delayed and Philippine rehabilitation retarded. The Department believes that the question of sugar duties should be deferred until general sugar legislation is considered in connection with the Sugar Act which expires at the end of this year. This Department would appreciate an opportunity to comment on any such legislation because of its important bearing on our foreign economic relations.

Secretary Anderson's second proposal is consistent with the position that this Department has already taken with respect to quota arrangements on sugar in H. R. 4676. On December 11 I wrote to Mr. Robertson,<sup>16</sup> then Acting Chairman of the Ways and Means Committee, that in the opinion of this Dept the changing of the absolute quotas provided in H. R. 4676 to tariff quotas, as had been suggested by this Department, would not preclude the inclusion of Philippine sugar in any future revision or extension of the Sugar Act of 1937. I added, moreover, that if there should be any doubt as to this a proviso might be added to section 4 of the bill stipulating that "nothing in this section shall affect any existing or future legislation or international agreement imposing quantitative restrictions upon the importation of sugar into the United States".

JAMES F. BYRNES

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611.11B31/2-446

*Memorandum of Conversation, by the Associate Chief of the Division of Commercial Policy (Willoughby)*

CONFIDENTIAL

[WASHINGTON,] February 4, 1946.

Admiral Stockton,<sup>17</sup> who had just arrived in the United States from Manila with High Commissioner McNutt, came to the Division to discuss the draft commercial treaty with the Philippines. He said that Consul General Steintorf had given him a copy in Manila and that it had been considered by various members of the High Commissioner's staff. I asked him whether he had comments or suggestions to make in regard to the draft and he indicated that he did not as yet have

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<sup>16</sup> A. Willis Robertson, of Virginia, House of Representatives.

<sup>17</sup> Naval Aide to the U.S. High Commissioner in the Philippines.



any but that he expected to study the document more carefully and would be in touch with us later.

I explained to Admiral Stockton that tentatively we are thinking in terms of three documents: 1) the general commercial treaty, of which he had a copy, which would follow the lines of our treaties of friendship and commerce with other countries; 2) a consular convention; and 3) a treaty of general relations, containing various special provisions which are not customarily found in general commercial treaties. These would include matters incidental to the change in the political status of the Philippines. There may, of course, be a number of other special instruments, such as an extradition treaty, a double taxation treaty, a special commercial treaty to implement any legislation providing for special tariff treatment during the transition period, et cetera.

I explained to Admiral Stockton that the Division of Commercial Policy was primarily concerned with the general commercial treaty and that PI would have primary responsibility for the consular convention and the special treaty of general relations. Admiral Stockton made an appointment to see Mr. Lockhart on February 5.

Admiral Stockton inquired when we would be ready to talk to the Philippine Government in regard to the treaty, and I explained that we are now in the process of clearance in the Department and that I could not anticipate precisely when there would be an approved draft which had been cleared both in the Department and with other Washington agencies.

W[OODBURY] W[ILLOUGHBY]

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811.5211B/1-2146

*The Secretary of State to the Secretary of the Interior (Ickes)*

WASHINGTON, February 14, 1946.

MY DEAR MR. SECRETARY: Your letter of January 21, 1946 relative to Mr. Acheson's letter of December 13, 1945 has been received. Thank you for transmitting to this Department copies of the two letters of January 7, 1946 from the United States High Commissioner to the President of the Philippines on the subject of Philippine measures discriminating against the commercial activity of foreigners in the Philippine Islands. I appreciate the attention which you and the High Commissioner have given to this matter.

In order to assure against misunderstanding, however, I would mention that Mr. Acheson's letter and the accompanying memorandum, pointing out the conflicts with treaties, were intended to relate only to the discriminations as to commercial activity and not to the

questions raised by the Department of Justice circular as to real property. The High Commissioner's letter of January 7, discussing Manila ordinance number 2898 relative to commerce and the Philippine Department of Justice circular number 14 as to real property, contains language which may be interpreted as implying that both these measures would be contrary to the treaty obligations of the United States applicable to the Philippines. In contrast to the broad rights to engage in commercial activity accorded by our treaties, there are provided almost no rights as to the ownership of real property, although several recent treaties permitted the leasing of land for limited purposes.

Moreover, it is contemplated that the commercial treaty between the United States and the Philippine Islands will contain provisions relative to real property generally which will be similar to those now under consideration for inclusion in commercial treaties with several countries. Under these provisions nationals and corporations of the United States would be accorded in the Philippines rights with respect to real property as extensive as the privileges in fact accorded to Philippine nationals and corporations by the states with which such United States nationals and corporations are identified by domicile or incorporation. Although Philippine nationals and corporations in fact enjoy broad privileges with respect to real property in many states, the treaty would not substantially increase these privileges or accord such nationals and corporations a right to a continuation of any substantial part of the privileges now enjoyed under state law.

Consequently, it would seem desirable that any further representations which might be made to the Philippine Government relative to the Department of Justice circular, or to subsequent real property measures, be based on grounds other than the treaty obligations of the United States with respect to the Philippines or the contemplated commercial treaty with the Philippine Islands.

In view of the extent to which both federal and state legislation in this country discriminates against aliens in many respects, including the ownership of real property, and of the continuance of many discriminatory laws in other countries, it is very doubtful that the Philippine discriminations under consideration would affect the status of the Philippine Islands in the United Nations Organization.

In bringing these matters to the attention of the High Commissioner please express to him my appreciation of the interest he has shown in taking these matters up with the Philippine Government.

Sincerely yours,

JAMES F. BYRNES

711.11B2/3-1546 : Telegram

*The Consul General at Manila (Steintorf) to the Secretary of State*

CONFIDENTIAL

MANILA, March 15, 1946—3 p. m.

[Received 4:04 p. m.]

396. Urtel 350, March 4.<sup>18</sup> The draft treaty is an excellent general document<sup>19</sup> but fails to provide for numerous specific problems arising from our unique position of Philippines. Our continuing responsibilities and special position necessitate specific special treaty provisions to provide authority to carry out our commitments. Present draft also gives no consideration to Bell Bill, which, if enacted, will necessitate complete revision of many important sections. If Dept anticipates conclusion of a treaty at time of or shortly after independence, then I reiterate my recommendation that it is essential to have a competent team of specialists to conduct preliminary negotiations here at earliest possible moment.

STEINTORF

611B.003/3-1846

*The Resident Commissioner of the Philippines (Romulo) to the Secretary of State*

WASHINGTON, March 18, 1946.

MY DEAR SECRETARY BYRNES: I have the honor to acknowledge the receipt of your letter dated March 12, 1946,<sup>20</sup> concerning the possibility of extending, after July 4, 1946, the application of the appropriate treaties and agreements of the United States in force with other countries wherein rights of the Philippines are protected in those countries.

A copy of your letter has been transmitted by pouch to Manila. Directly the comments of my Government are received with respect to the problems indicated in your communication, I will be happy to inform you. In the meantime, I should like to take advantage of your kind offer to discuss the question of existing commercial treaty coverage of the Philippines and other phases of the general problem with appropriate officers of the Department.

Sincerely yours,

CARLOS P. ROMULO

<sup>18</sup> This telegram requested comments on the draft treaty of friendship, commerce, and navigation delivered by hand early in January to the Consulate General (711.11B2/3-445).

<sup>19</sup> Mr. Steintorf in his telegram 143, January 30, 5 p. m., from Manila, had suggested early action on negotiations for a treaty of amity, commerce, and navigation (711.11B2/1-3046).

<sup>20</sup> Not printed.



711.11B2/3-1546 : Telegram

*The Secretary of State to the Consul General at Manila (Steintorf)*

CONFIDENTIAL

WASHINGTON, March 22, 1946—8 p. m.

485. Bell Bill provides for executive agreement which would govern trade relations during interim free trade period and period of declining preferences. Draft treaty of establishment, commerce and navigation, copy of which given you by White,<sup>21</sup> would cover on reciprocal basis continuing relations and would be similar to such treaties with other independent countries. Inconsistencies between draft commercial treaty and Bell Bill provisions cannot be satisfactorily resolved until bill is passed in final form. Such inconsistencies can probably be resolved in protocol of commercial treaty.

In addition, Dept now drafting treaty of general relations which would cover various special problems arising from change in political status of Philippines. Please advise urgently what specific problems arising from unique position of Philippines (urtel 396, Mar 15) you think should be included.

Dept also drafting consular convention, extradition treaty, treaty with respect to military bases, arbitration treaty, conciliation treaty, double taxation conventions and aviation agreement. Manpower shortage probably will preclude sending team of specialists to Philippines, but Dept considering feasibility sending one treaty specialist.

BYRNES

611.11B31/4-1846

*Memorandum by the Secretary of State to President Truman*

SECRET

WASHINGTON, April 18, 1946.

The Philippine Trade Bill (H. R. 5856) will probably come to you for signature within a few days.<sup>22</sup>

The provisions of the bill for eight years of free trade and twenty years of declining preferences are not very different from the agreement which was reached at your conference of November 13 with Mr. McNutt, Senator Tydings, Representative Bell, Mr. Fortas, Mr. Clayton, and myself.

In view of the urgent necessity for legislation governing trade relations with the Philippines I believe that you should sign H. R. 5856. A number of its provisions, however, which were not discussed with you on November 13, are highly objectionable from the stand-

<sup>21</sup> C. Thayer White, Far and Middle Eastern Branch, Division of Commercial Policy.

<sup>22</sup> The Philippine Trade Act of 1946 was approved as Public Law 371 on April 30; 60 Stat. 141.

point of our foreign policy. This Department, as well as other agencies, expressed its objections to the appropriate committees of Congress<sup>23</sup> but for the most part was unsuccessful in having the desired changes made.

Provisions relating to absolute quotas and an internal tax preference for Philippine coconut oil are conspicuously inconsistent with central elements of our recently published *Proposals for Expansion of World Trade and Employment*<sup>24</sup> which were sent to all Governments as a basis for the Conference on World Trade and Employment. The Department attaches the utmost importance to avoiding action which might jeopardize our position of constructive leadership in this endeavor to create a peaceful and prosperous post-war economic world.

Other provisions of the bill requiring the Philippines to grant Americans in the Philippines broad special favors and, consequently, to discriminate against all other countries, are inconsistent with our promise to grant the Philippines genuine independence and may be expected to have unfortunate repercussions on our international relations, especially in the Far East. Important Philippine officials and the Philippine press already have reacted strongly against such provisions and the Soviet press has cited them as an example of the "rising tide of reactionary forces" in the Anglo-Saxon countries. While rights of Americans should, of course, be fully protected by appropriate treaties on the same basis that exists with respect to other independent nations, it is unfortunate that we should insist upon a highly privileged position for Americans in the Philippines in the future when we protest strongly against such policies which discriminate against Americans in other countries.

It is therefore suggested that you may wish at the time you sign the bill to make a general statement, which would leave the way open for possible future remedial action, along the following lines:

"I am grateful to the Congress for its splendid response to my request for speedy enactment of legislation on our future trade relations with the Philippines, and I am in agreement with the general principle of the bill for an interim period of free trade to be followed by a period of declining trade preferences. I must point out that there are a few provisions in the bill which cause me some concern and may at a later date need reconsideration. I am, however, signing the bill in order to bring into immediate effect those provisions which,

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<sup>23</sup> See the statement of April 3, 1946, by Assistant Secretary of State Clayton, *Philippine Trade Act of 1946: Hearings before the Senate Committee on Finance, 79th Cong., 2d sess.* (Washington, Government Printing Office, 1946), p. 49.

<sup>24</sup> Issued in November 1945 as Department of State Publication No. 2411 (Washington, Government Printing Office).



independently of the anticipated Executive agreement, would establish a legislative basis for the economic rehabilitation of the Islands.”<sup>25</sup>

JAMES F. BYRNES

811B.001 Roxas/5-246 : Telegram

*The Acting Secretary of State to the Consul General at Manila  
(Steintorf)*

CONFIDENTIAL

WASHINGTON, May 2, 1946—8 p. m.

731. Following for High Commissioner from the President:

“Please call on President-elect Roxas and extend to him my congratulations on his election. Please also tell him that, when I received information from you that he planned to arrive in Washington May 9 accompanied by you, I had already approved a telegram, which had not yet been dispatched, asking you to extend to him a cordial invitation in my name to visit Washington at an early date. I am gratified that he plans to visit the United States in as much as there are a number of questions which it would be highly desirable to discuss with him prior to his assumption of the Presidency on May 28. You should also indicate to him that I have declared a period of mourning for the late Chief Justice Stone which will not end until May 23 and that this fact will have to be taken into consideration in our reception of the President-elect.”

ACHESON

811B.01/5-746 : Telegram

*The United States High Commissioner in the Philippines (McNutt) to  
President Truman*

CONFIDENTIAL

MANILA, May 7, 1946—8 p. m.

[Received May 8—7:35 a. m.]

725. For the President from McNutt: Deptel 731, May 2. I called on Roxas yesterday and delivered your message. He asks me to convey the following to you:

“I am greatly honored and deeply affected by your thoughtful message delivered to me by High Commissioner McNutt. I had, as you know, already planned to visit the United States when your message arrived. High Commissioner McNutt had graciously agreed to accompany me to the United States and to present me to you at the White House and otherwise to sponsor my visit to the country of my allegiance which, even after July 4, will hold a place in my heart next after that occupied by my native land, the Philippines. I am thrilled and all Filipinos are thrilled by your meaningful action in formally inviting me to be guest of the United States during my stay in Washington.

<sup>25</sup> For statement by President Truman released by the White House on April 30, see Department of State *Bulletin*, May 12, 1946, p. 822.



My coming to America on the eve of my inauguration and the eve of the launching of the Philippine Republic fills me with joyful anticipation. I will have the privilege of presenting my respect to you and of assuring you of the gratitude and abiding loyalty of the Philippine people. I look forward to the opportunity of thanking you personally, in the name of the people, for the heart-felt interest you have so often shown in our welfare. While there, in addition to discussing the many official problems which face my country, I shall be proud to see again at first-hand the men and the land who liberated my countrymen from the brutal oppressor. I shall be honored at the opportunity to give thanks for the victory of freedom and democracy, to whose advancement I have pledged my own supreme efforts in the Philippines.

I am delighted to accept your invitation. President Sergio Osmeña has graciously associated his good will with the forthcoming mission. I accept the honor paid to me as a tribute to all my countrymen who are today and will forever henceforth be bound with you in a common union formed of past associations and mutual ideals and principles for the advancement of the concerns of all free men everywhere."

[McNUTT]

711.11B/5-846

*Memorandum by the Acting Secretary of State to President Truman*

WASHINGTON, May 8, 1946.

Subject: Proposed Treaties between the United States and the new Republic of the Philippines

The Department has been giving consideration to the question of the treaties and agreements to be concluded by this Government with the Government of the new Republic of the Philippines which is to be established on July 4, 1946, the date fixed by the Tydings-McDuffie Act for granting independence to the Philippines. In consultation with other interested Departments and agencies of this Government, the Department is preparing drafts of the following instruments for conclusion by the two Governments: a treaty of friendship, commerce and navigation, an executive agreement relating to trade, a general relations treaty, a consular convention, an extradition treaty, an arbitration treaty, a conciliation treaty, an income tax treaty or convention, an estate tax treaty or convention and a military base agreement.

The Department intends to hand to the United States High Commissioner to the Philippines while he is in Washington for communication to President-elect Roxas the texts of the draft instruments. Preliminary discussions could commence as soon after their receipt by the Commonwealth authorities as could be mutually agreed upon. It would remain only for the formal negotiations, to be commenced immediately after independence, to be concluded.

As the proposed treaties would be subject after signature to ratification by the Senate in accordance with established constitutional pro-

cedures, a gap in treaty relations between the two countries will result unless an interim agreement is concluded on July 4, 1946. The Department, therefore, proposes that the two Governments conclude on July 4, 1946 a brief provisional agreement providing in general terms for recognition of Philippine independence, for diplomatic and consular relations and for the conclusion as soon as possible of definitive treaties and agreements, the provisional agreement to become effective upon signature and to remain in force until a definitive treaty providing for diplomatic and consular relations enters into force. A draft of the proposed provisional agreement is attached.<sup>26</sup> Provisional agreements have previously been concluded by this Government with certain other Governments upon establishment of diplomatic relations. The Department intends to hand the text of the draft provisional agreement to the United States High Commissioner to the Philippines for communication to President-elect Roxas. The proposed agreement would be of such a nature as clearly not to require extended negotiations. It may be found desirable also to conclude on July 4, 1946 the agreement relating to military bases which would not require ratification by this Government as Congressional authorization has already been given by Joint Resolution approved July 29, 1944. The question of the conclusions of an agreement relating to military assistance is still being studied by the Department concerned.

The Department will arrange for appropriate consideration and clearance in Washington of any changes that may be suggested by the authorities of the Commonwealth or of the new Republic in any of the draft instruments.

I should appreciate it if you would indicate whether you approve of the procedure outlined above.<sup>27</sup>

DEAN ACHESON

711.11B/5-1046

*Memorandum of Conversation, by the Director of the Office of Far Eastern Affairs (Vincent)*

[WASHINGTON,] May 10, 1946.

Participants: His Excellency Mr. Roxas, President-elect of the Philippine Commonwealth;  
Mr. McNutt, High Commissioner to the Philippines,  
Mr. Acheson,  
Mr. Vincent

The President-elect called at 3:15, accompanied by Mr. McNutt.<sup>28</sup>

<sup>26</sup> Not printed. Marginal notation by Mr. Lockhart: "Important. Draft treaty subsequently amended. FPL".

<sup>27</sup> Notation by President Truman: "Approved 5/13/46 Harry S Truman".

<sup>28</sup> For statement by President Truman on the visit of President-elect Roxas and their meeting on May 10, see Department of State *Bulletin*, May 19, 1946, p. 867.



During the course of the conversation Mr. Roxas mentioned the various treaties that are now being prepared in the State Department for the establishment of relations between the United States and the Philippines. He said that he would be glad to look these treaties over while he was here and to take drafts back with him to Manila. He expressed confidence that the treaties as we drafted them would be acceptable to the Philippine Government but that there might be minor suggestions which he could assure us we would have within a week after his return to Manila.<sup>29</sup>

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811B.51/5-1446

*Memorandum of Conversation, by the Chief of the Division of Lend-Lease and Surplus War Property (Fetter)*

[WASHINGTON,] May 14, 1946.

Participants: General Roxas, President-Elect of the Philippines;  
General Romulo, Rehabilitation Commission, Philippines;  
Mr. Paul McNutt, High Commissioner to the Philippines;  
Board of Directors and Staff Members of the Eximbank;  
Mr. Fetter, State Department.

General Roxas raised the question of a \$250 million reconstruction loan for the Philippines but stated later that he doubted whether more than \$50 million could be spent effectively this year. He would like the loan to be made to the Government which would then lend it out to individual enterprises. He estimates that government revenues in the coming year will be 30-40 million pesos and that expenditures will be about 270 million pesos. He sees no source other than the Eximbank for the securing of reconstruction funds and he will seek authorization from the Philippine Congress on his return to the Philippines for such a loan.

He estimates that Philippine exports in 1946 will be about \$15 million and imports about \$150-\$250 million.

War damage compensation will be about \$400 million but that is only 40% of the pre-war value of the property and hence for recon-

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<sup>29</sup> In response to Mr. Roxas' request that the United States represent Philippine interests abroad after July 4 until the Philippines was ready, Mr. Acheson replied affirmatively and suggested that a formal approach on this subject be made after Mr. Roxas assumed office. (704.11B00/5-1046) On May 15 Mr. Roxas indicated he would not have time to discuss proposed general commercial treaty and Executive trade agreement drafts due to preoccupation with the proposed military base treaty and other matters (611.11B31/5-1546); texts were subsequently sent to Manila for presentation. (711.11B2/6-2546; 611.11B31/6-1746, 6-2146; 711.11B/6-2446, 6-1346).



struction it will be necessary to get large additional sums. He would like a 35-year loan with no interest payments during the first five years and a low rate thereafter. He mentioned 23½%. He hoped that a loan could be obtained with no restrictions requiring that proceeds be spent in the United States. He suggested that a Bank representative come out to the Philippines to pass on individual projects but the bank directors indicated that if Bank approval was required they would prefer that it be done in Washington and not by a representative in the field.

The directors listened attentively but made no commitments to General Roxas other than to look into the matter further and see what would be possible within existing legislation and existing bank policies.<sup>30</sup>

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711.11B/6-146

*The President of the Commonwealth of the Philippines (Roxas) to the Secretary of State*

WASHINGTON, June 1, 1946.<sup>31</sup>

MY DEAR MR. SECRETARY: With the establishment of the Republic of the Philippines on July 4, 1946, it will be necessary for our two governments to conclude a series of treaties defining the relations between the two countries. At the present time, however, it seems impossible that any of these treaties will have been formally concluded by our two Governments by July 4.

In view of this situation I should like to say that I deem it advisable that a temporary or provisional agreement be executed by our two countries to cover the interim period prior to the coming into force of the regular treaties. Among the matters covered in the agreement, in my opinion, should be the recognition by the United States of the independence of the Philippines, the exchange of diplomatic representatives, the notification to other countries that the United States was relinquishing sovereignty over the Philippines, and an invitation to them to accord recognition to the Republic of the Philippines.

I am prepared to enter into full discussion with representatives of your Government on this matter and am confident that a provisional agreement of satisfactory character can be arrived at by our two governments.<sup>32</sup>

Sincerely yours,

MANUEL ROXAS

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<sup>30</sup> The Roxas-McNutt party left May 17 for Manila.

<sup>31</sup> This post-dated letter was signed prior to the departure on May 17 of Mr. Roxas and received by the Under Secretary of State on May 18.

<sup>32</sup> The text of a provisional agreement for signature on July 4 was sent to Manila on June 14 (711.11B/6-1346).

811.24596/6-646

*Memorandum by the Director of the Office of Far Eastern Affairs  
(Vincent) to the Secretary of State* <sup>33</sup>

SECRET

[WASHINGTON,] June 6, 1946.

At present two of the three issues remaining for adjustment within this Government in connection with the draft Philippine bases agreement are well on the way to solution. These two issues relate to the possible joint use of the bases and to a possible reduction in number and size of the bases retained. Efforts to adjust the third issue—jurisdiction over American military personnel outside the bases—have so far failed to result in a meeting of views between the State Department on the one hand and the War and Navy Departments on the other. Settlement of this third issue is a matter of urgency because the War Department feels that it is essential that the agreement be signed on July 4, and therefore that negotiations with the Philippine authorities should begin at least by June 15. Comment on the three issues is given below.

1. *Joint Use of Bases*

A provision which would permit the armed forces of the Philippines to serve on United States bases, and vice versa, whenever the armed forces of both countries agree that such use would be beneficial has been worked out in consultation between the State, War and Navy Departments. (Copy attached, Annex A) <sup>34</sup> There remains only for settlement the question whether the bases should be made available to the Security Council with the consent of the Philippines alone or with the consent of the Philippines and the United States. Although the War Department prefers the second alternative, it is believed that it will accept the first alternative.

2. *Reduction in Number and Size of the Bases*

The question of a possible reduction in the number of bases retained by the United States (at present 71) and in their size (one of the bases now covers 150,000 acres) has been referred to General MacArthur for his opinion. This issue can probably be quickly settled after his views have been received.

3. *Jurisdiction over American Military and Civilian Personnel outside the Bases*

There is general agreement that this Government should have exclusive jurisdiction over all offenses committed by American military or civilian personnel *within the bases*.

<sup>33</sup> Notation by the Under Secretary of State to Mr. Vincent: "JCV. The Secretary approved this memorandum & told me to hold the meeting. DA." The meeting was scheduled for June 7 with War and Navy Department representatives.

<sup>34</sup> Not printed.

The War and Navy Departments hold that it is essential that even in time of peace the United States also exercise jurisdiction over offenses committed by such personnel *outside the bases*. They assert that this position is justifiable under international practice, and they also claim—apparently without strong conviction—that the exercise of such jurisdiction is necessary to their military program and position in the Islands.

In the recent discussions, Roxas took strong exception to granting to this Government jurisdiction over offenses committed outside the bases, in time of peace.

Officers of this Department have held that this Government should not force the Philippines to grant this Government such extensive jurisdiction in time of peace. We have suggested that provision be made according to this Government exclusive jurisdiction over any offenses committed by American military or civilian personnel in the Islands *in time of war or national emergency* and according at other times exclusive jurisdiction over all offenses committed by such personnel *within the bases*. (Copy attached, Annex B) <sup>35</sup>

The draft agreement would involve some 50,000 American personnel and would run for 99 years. Philippine courts have functioned to the satisfaction of American authorities, military as well as civilian.

It is felt that under these circumstances a provision such as that desired by the War and Navy Departments would be regarded not merely by the Filipino people but by other friendly Far Eastern peoples as a revival of *extraterritoriality*; that it would create popular opposition to the bases agreement in the Philippines, making approval of that agreement difficult in the Philippine Congress; and that this country's good will among Far Eastern peoples would suffer without commensurate advantage to this country. The Philippine agreement would be of little worth as a precedent in attempting to obtain similar grants from stronger countries; and it is believed to be highly unlikely that British, Australian or other authorities will be willing to grant to the United States comparable jurisdiction throughout a prolonged period of peace in any future agreements that may be reached.

The War and Navy Departments on June 5 prepared a draft in accordance with their position (Annex C).<sup>35</sup> A brief statement of the main reasons why we regard this draft as unsatisfactory has been informally prepared by our Legal Adviser's Office and is attached to the draft.

J[OHN] C[ARTER] V[INCENT]

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<sup>35</sup> Not printed.



[Annex]

[WASHINGTON,] June 5, 1946.

OBJECTIONS TO PARAGRAPH 1 OF ARMY-NAVY REDRAFT OF ARTICLE XIV  
(AS SUGGESTED BY LE)

1. The paragraph provides for concurrent jurisdiction which might result in cases of double jeopardy and which should be avoided whenever practicable.

2. The phrase "including . . . treason . . . security . . . such bases" is meaningless in its present context. This language was included in the British agreement because that agreement contemplated the creation of United States civil courts in the British territories concerned in which the offenses described would be tried. Such courts were in practice never established, and it would be clearly undesirable to establish such courts in the Philippines.

3. The paragraph in effect would give the United States primary jurisdiction over all offenses committed by members of the United States armed forces and civilian personnel outside the bases. It is believed that this Government should not ask so extensive a grant of jurisdiction from the Philippine authorities.

4. The paragraph is a poor rewording of Article IV of the British Base Agreement which has proved unsatisfactory in practice and which is to be revised.

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[For the Department's statement on June 7 regarding ceremonies to celebrate Philippine independence at Manila, July 4, and invitations issued to attend, see Department of State *Bulletin*, June 16, 1946, page 1051.]

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811B.51/6-1046 : Telegram

*The Secretary of State to the Consul General at Manila (Steintorf)*

CONFIDENTIAL

WASHINGTON, June 10, 1946—6 p. m.

991. For Hoflich <sup>36</sup> from Treasury. Inform Roxas that Vinson <sup>37</sup> agrees you should assist in drafting legislation and establishing controls.<sup>38</sup> Important it be clearly understood such assistance to be purely advisory with Philippine Govt assuming full responsibility for action beyond July 4th. This assistance will be continued beyond Independ-

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<sup>36</sup> Harold J. Hoflich, Treasury representative in the Philippines.

<sup>37</sup> Fred M. Vinson, Secretary of the Treasury.

<sup>38</sup> President Roxas had made certain requests on June 1 regarding foreign funds control, war profits tax, currency, and other financial matters, reported in telegram 900, June 3, 5 p. m., from Manila (811B.51/6-346).

ence if Philippine Govt so desires, even though this would require more Treasury personnel than otherwise beyond July 4. Treasury personnel in Manila after Independence would have same status as other Treasury representatives abroad and in addition to advising Philippine Commonwealth authorities would perform regular Treasury functions. Advise whether Philippine Govt desires such assistance beyond Independence. This is Cable P.I. 97.

BYRNES

896.51/6-1446 : Telegram

*The United States High Commissioner in the Philippines (McNutt)  
to Mr. Richard R. Ely, of the Office of United States High Commissioner, Washington*

PRIORITY

MANILA, 14 June 1946.

PIW 542. Ely deliver following from me to Treasury Secretary Snyder, copy to Romulo.

Commonwealth President Roxas has asked me transmit following message to you in connection with Philippine loan application on which he is most desirous of obtaining speedy action. I have added to his message my own endorsement. Roxas message to you is as follows:

"My dear Mister Secretary: I know you face great problems in connection with your new duties. Yet because of critical situation here I cannot refrain from [intruding?] upon your first days in your new office with appeal for early action on Philippine emergency government loan application which I in company with Commissioner McNutt made during our recent visit to Washington. That application has been before your department since mid May although it has never been submitted in a formal manner because Treasury Department experts were to advise me of most suitable legal formula for presenting it.

"I have asked for government loan of \$100,000,000 for fiscal year beginning July 1st, second loan of 12½ percent less than 100,000,000 for succeeding fiscal year and three additional loans decreasing by same percentage each fiscal year making total of five installments of loan which will approximate \$400,000,000. Terms for repayment were not specifically discussed but I agreed to begin interest and amortization payment during sixth year on gradually increasing scale.

"Next fiscal year confronts us with expectable revenues of \$25,000,000 while bared to the bone budget contemplated expenditures \$130,000,000 which is decrease from current year. In war torn land beset with hundreds of problems incidental to war and independence we dare not paralyze functions of government lest we invite chaos and precipitate disaster, yet our potential national economy is completely capable of supporting government and providing rising standard of living as well as discharging fiscal obligations of proposed loans, provided we receive transitional assistance to enable us recover from war.

One fifth of our essential expenditures this year are necessary maintain law and order to restore internal security of property and persons which deteriorated dangerously as aftermath of war and ancient economic maladjustments which we are seeking energetically to cure constructively.

"I urgently request your speedy consideration of our loan application and earliest submission to Congress if that is formula decided upon. President Truman [and] former Secretary Vinson were completely sympathetic with our needs on this matter but time is of essence since our cash resources are almost to disappearing point and rehabilitation program has not yet begun whereas government expenses continuing."

End Roxas message.

As High Commissioner I have discussed matter at length with Roxas as well as with American officials and I add my urgent recommendations to those of Philippine President. We are about to launch Philippines on road to independence. Roxas has indicated by word and deed his desire to follow American pattern of government and retain closest ties with us in all matters including military bases deemed essential to mutual security but involving great political risks on Roxas part. I urge you to use your good offices to support Roxas application. Delay may endanger stability of government and would drastically interfere with rehabilitation programs which have been planned in consultation with us.<sup>39</sup>

[McNUTT]

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711.11B/6-446 : Telegram

*The Acting Secretary of State to the Consul General at Manila  
(Steintorf)*

CONFIDENTIAL

WASHINGTON, June 14, 1946—8 p. m.

1038. For Davis.<sup>40</sup> 1. Airmail pouch dispatched today contains draft military base agreement, together with letter to HC requesting that he discuss draft with Roxas and report result of negotiations.

2. Copies of arbitration, conciliation, extradition, and consular conventions, as well as income tax and inheritance tax conventions, handed to HC while here for discussion with Roxas or his representatives after return Manila. If these instruments have now received approval both Roxas and HC, Dept should be informed so that documents can be put in final form for signing on July 4 or as soon thereafter as possible.

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<sup>39</sup> In a memorandum to Mr. Vincent on June 17, Mr. Lockhart stated that "The question of a substantial loan to the Philippines, to be authorized by legislative action, is under active consideration". (896.51/6-1446)

<sup>40</sup> Nathaniel P. Davis, State Department representative on the staff of the U.S. High Commissioner in the Philippines, with personal rank of Minister.



3. Treaty general relations, containing amendments mentioned urtel MS 91 Jun 4 <sup>41</sup> with exception of one relating to issuance of passports, and with other minor unimportant changes, and omitting Article 8 which seemed unnecessary because similar article contained in provisional agreement forwarded to you today, is now being processed for signature and will be forwarded by air pouch next week.

ACHESON

711.11B/6-1446

*Memorandum Prepared in the Department of State* <sup>42</sup>

SECRET

OUTLINE OF COURSE OF INFORMAL DISCUSSIONS WITH PHILIPPINE REPRESENTATIVES CONCERNING THE PROVISION ON JURISDICTION TO BE INCLUDED IN THE AGREEMENT CONCERNING MILITARY BASES IN THE PHILIPPINES, WASHINGTON, MAY 1946

The first draft informally handed by representatives of this Government to the Philippine representatives provided in Article XIV for the exercise of exclusive jurisdiction by this Government over all offenses committed by American military and civilian personnel, both within and without the bases.

The Philippine redraft of the draft agreement—dated May 14, 1946—contained a provision following exactly, except for essential verbal substitutions, Article IV of the British Base Agreement (Executive Agreement Series no. 235). This provision was not acceptable to the War and Navy Departments on the ground that it did not accord wide enough jurisdiction to this country. This provision was felt to be undesirable also by officials of the State Department because the provision in the British Base Agreement on which it was modeled had not worked well in practice and is to be revised. The language has been found to be ambiguous; the provision contemplated the creation of civil courts by this country, which has not been and will not be done; and it also provided concurrent jurisdiction which, it is felt, should be avoided whenever possible.

In an effort to further the progress of the discussions a member of the Legal Adviser's Office prepared a draft provision providing that in time of war or national emergency this Government should have exclusive jurisdiction over American military and civilian personnel, both within and without the bases; at all other times this

<sup>41</sup> Not printed.

<sup>42</sup> Copy transmitted by the Acting Secretary of State to Mr. McNutt in a letter dated June 14, not printed; the draft agreement on military bases was also included, not printed.

Government should have jurisdiction only over offenses committed within the bases, and such jurisdiction would be exclusive. This draft was prepared as a working paper and a basis of discussion. It was acceptable in principle to the Philippine authorities and to the representatives of this Department but not to the representatives of the War and Navy Departments.

At the last meeting, the War and Navy Departments proposed that the provision should be based on Article IV of the British Base Agreement with certain changes made to avoid reference to military offenses and civil courts. This suggestion was not acceptable to the Philippine representatives.

The provision included in the draft agreement to be presented to the Philippine authorities as the basis for formal negotiations follows substantially this last suggestion with the additional change of deletion of reference to primary jurisdiction.

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811B.5151/6-1946 : Telegram

*The Consul General at Manila (Steintorf) to the Secretary of State*

SECRET

MANILA, June 19, 1946—4 p. m.

US URGENT

[Received June 20—2:33 a. m.]

1028. For Secretary of Treasury No. 180 from Hofflich.

Part 1. Following cable June 17 McNutt to Ely repeated at McNutt's request.

"For the Secretary of the Treasury. My legal adviser and local representative Foreign Funds Control Office point out, and I concur, that the passage of Philippine Property Act, section 3, clothes the President of the United States, under section 5B Trading with Enemy Act, with continued authority for operation of Foreign Funds Control Office activities in the Philippines after July 4. I believe that the continuance of this activity by the Treasury Department would be extremely helpful to the Philippine Republic and avoid serious legal problems. However, if the Treasury Department objects, the President could discontinue this activity or delegate authority to another office or agency to complete this service.

"The passage of the Property Act insofar as activities of the Foreign Funds Control Office of the Treasury Department are concerned, is simply permissive. Because of the urgency and absolute necessity that this act be passed before July 4, I strongly urge that the Treasury Department not oppose or propose to amend it in any way as any delay in its passage prior to July 4 would destroy the benefits which are necessary and desirable."

Part 2. Section 3 of Property Act provides in part: "The trading with the Enemy Act . . . shall continue in force in the Philippines after July 4, 1946, and all powers and authority conferred upon the

President of the United States or the Alien Property Custodian by the terms of said act as amended with respect to the Philippines shall continue thereafter to be exercised by the President of the United States or such officer or agency as he may designate."

Part 3. Property Act drafted in Manila. Treasury office was neither consulted nor advised. First information obtained from June 16 newspapers. Press reaction favorable but no reference to foreign funds implications.

High Commissioner states that while Property Act was not intended to continue Foreign Funds Control by US Treasury he considers such continuation desirable. He states that in his opinion Roxas would not object in spite of statement in message to Congress (our telegram 169)<sup>43</sup> and that satisfactory basis of operations could be worked out after passage of Property Act.

We did not commit Treasury to any position on matter.

Part 4. In view of this development plans to establish Philippine Republic Foreign Funds Control are at standstill. [Hoflich.]

STEINTORF

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704.11B00/6-146 : Telegram

*The Acting Secretary of State to the United States High  
Commissioner in the Philippines (McNutt)*

RESTRICTED

WASHINGTON, June 21, 1946—4 p. m.

1089. For the High Commissioner. By formal request dated June 1, Roxas in letter to Dept requested that pending establishment Philippine Republic Foreign Service US Foreign Service represent Philippine interests in "various areas in which we have particular Philippine interests". He states his Govt prepared cooperate fully with US "in effectuating any and all arrangements which may be necessary under such a program of representation" (Deptel 970, June 6, 6 p. m.<sup>44</sup>).

Dept informing Philippine Resident Commissioner Washington willingness US represent Philippine interests with statement that you are being requested discuss matter with appropriate Philippine authorities Manila to acquaint them with services this Govt can perform this regard and to obtain specific designation those countries in which US representation Philippine interests desired.

Please discuss foregoing with appropriate authorities and inform Dept, obtaining detailed directives from Philippine authorities re services to be performed for Philippine nationals within scope Dept's

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<sup>43</sup> Transmitted in telegram 910, June 4, 4 p. m., from Manila; it quoted from President Roxas' opening address on June 3 to the Philippine Congress, in which he proposed establishment of a frozen-funds control office in the Philippine Department of Finance, replacing the U.S. Treasury functions which would end July 4 (811B.5151/6-446).

<sup>44</sup> Not printed.



handling, particularly re financial assistance and repatriation Philippine nationals.

Discussion should include provision for Philippine interests deposit from which Dept may defray expenses this representation. \$25,000 suggested fiscal year 1947. For your information if Filipinos unable make deposit Dept will explore possibility advancing funds or arranging loan this purpose, with understanding for reimbursement.

ACHESON

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711.11B27/6-2146

*The Acting Secretary of State to the Consul General at Manila  
(Steintorf)*

SECRET

WASHINGTON, June 21, 1946.

SIR: In view of the approaching independence of the Philippine Islands, the Department has been considering the desirability of concluding with the Republic of the Philippines a bilateral air transport agreement similar to the agreements which this Government has negotiated with a number of other countries. There is enclosed a draft agreement<sup>45</sup> which you are requested to transmit to Mr. Paul V. McNutt, United States High Commissioner to the Philippines, with the request that he submit it to the appropriate authorities of the Philippine Government. Negotiations with regard to an air transport agreement are being inaugurated at this time in order that such an agreement may be concluded soon after the Philippines have obtained their independence.

The proposed agreement follows in substance the provisions of the standard form of agreement recommended by the Chicago Conference on International Civil Aviation in its Final Act, dated December 7, 1944. A delegation from the Philippine Commonwealth attended the Chicago Conference and signed the Final Act.<sup>46</sup> Agreements based upon the recommended form have already been concluded by this Government with a number of governments.

If the Philippine authorities suggest any changes in the draft agreement, such changes should be transmitted to the Department for consideration. The Department would also be interested in having your telegraphic comments concerning the attitude of the Philip-

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<sup>45</sup> Not printed.

<sup>46</sup> The Resident Commissioner of the Philippines in a note to the Secretary of State, received March 22, stated that the Philippines had accepted interim and transit agreements with a reservation; see Department of State *Bulletin*, April 28, 1946, p. 715. For documentation on the Conference at Chicago, November 1-December 7, 1944, see *Foreign Relations*, 1944, vol. II, pp. 355 ff.

pine authorities, and the prospects for the early conclusion of this agreement.

Very truly yours,

For the Acting Secretary of State:  
WILLIAM L. CLAYTON

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811B.01/6-2546 : Telegram

*The Acting Secretary of State to the United States High Commissioner in the Philippines (McNutt)*

WASHINGTON, June 25, 1946.

1125. For High Commissioner. Following letter has been received in Dept for you from the President:

"My dear Paul: In addition to your other duties and commissions in the Philippines I have appointed you to be my Personal Representative at the ceremonies attending the Proclamation of the Independence of the Republic of the Philippines on July 4, 1946. As High Commissioner you should notify the government of the Philippine Commonwealth of this appointment and at the same time express to President Roxas my sincere regret that circumstances have prevented my own attendance upon this historic occasion. Very sincerely yours, signed Harry S. Truman.["]

ACHESON

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711.11B/6-2546

*Memorandum of Telephone Conversation, by the Chief of the Division of Commercial Policy (Brown)*

CONFIDENTIAL

[WASHINGTON,] June 25, 1946.

I telephoned Mr. McNutt in Manila and told him that we had just received his telegram no PIW 577, June 25,<sup>47</sup> about the executive agreement with the Philippines to implement the Bell Bill, and would give him a prompt answer. He said that opinion in Manila was unanimous that with respect to Article I, paragraph 3, the language of the Bell Bill itself should be used and no attempt to consolidate should be made.

I then said we understood from Mr. Lockhart that Mr. McNutt felt the executive agreement should be presented to the Philippine Congress prior to July 4, and as we were in some doubt as to whether the agreement would be a binding international commitment if adopted by the Philippine Congress, we wished he would explain somewhat more fully his reasons for proposing this action.

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<sup>47</sup> Not printed.

Mr. McNutt said that his proposal was made because of the political situation in the Philippines. President Roxas was afraid that the Philippine Supreme Court might construe the executive agreement as a treaty, since there was nothing in Philippine law or the constitution about trade agreements. If the agreement were so construed, its ratification would require a vote of three-fourths (he must have meant two-thirds) of the Philippine Senate. President Roxas was sure that he could command a majority in the Philippine Congress, but was doubtful whether he could carry a three-fourths vote in the Senate. Therefore, both Mr. McNutt and President Roxas felt that the best way to handle the matter was to present it to the Congress before July 4.

If there was any doubt as to whether the agreement so ratified would be a binding international commitment, Mr. McNutt said President Roxas would doubtless be willing to resubmit the document to the Congress for re-ratification after independence.

I thanked Mr. McNutt and told him we would give him a very prompt reply. Mr. McNutt emphasized that time was of the essence.

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611.11B31/6-2646

*Memorandum by the Acting Secretary of State to President Truman*

WASHINGTON, June 26, 1946.

Subject: Proposed Executive Agreement with Philippines

On May 13, 1946, you approved my memorandum to you of May 8 in which, among other things, it was proposed that the Executive Agreement on Trade Relations provided for in the Philippine Trade Act of 1946 and certain other agreements with the Philippines would be entered into after the Philippines became an independent nation on July 4. Mr. McNutt now urgently requests that effort be made to have the Executive Agreement on Trade Relations approved by the Philippine Congress before the date of Philippine independence. His reason is that consummation after the Philippines become independent might require Philippine Senate approval by a two-thirds majority which, in President Roxas' opinion, might be difficult.

Quite aside from any possible doubts as to the legal validity of such an agreement if consummated prior to independence, the Department strongly believes that this agreement, which will govern our trade relations with the Philippines for 28 years, should not be entered into until the Philippines are an independent nation. There appears to be no doubt as to the acceptability to the Philippines of the central provisions of the proposed agreement covering 8 years of free trade



and 20 years of declining preferences. Therefore, while waiting to obtain the approval of the Philippine Congress until after they are independent might result in a final agreement somewhat different in some controversial aspects than if it were pushed through the Philippine Congress prior to that date, attainment of these major objectives of the Philippine Trade Act would not appear to be endangered.

The Department believes that this Trade Agreement should be freely negotiated between two independent governments on a mutually satisfactory basis. Any action which can be construed as an effort on our part to push an agreement through the Philippine Congress while they are still under our Flag and while, under their constitution, we are still in complete control of their foreign affairs will inevitably create a most unfavorable world impression of United States intentions. A considerable body of domestic and foreign criticism has already been directed at certain provisions of the Philippine Trade Act which call for privileged status for United States business interests in the Philippines, and at the methods used for ensuring that the Filipinos enter into the Executive Agreement on Trade Relations, for example, withholding of payments over \$500 for rehabilitation until they do so. Continued criticism of this type will be very costly to United States prestige and will do much to impair the laudable record of fair dealing hitherto maintained by the United States in its Philippine relations.

The Department therefore proposes, if you approve, to advise Mr. McNutt that we should not undertake to consummate the Executive Agreement on Trade Relations with the Philippines until after July 4, 1946.<sup>48</sup>

[DEAN ACHESON]

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711.11B/6-2646 : Telegram

*The Acting Secretary of State to the United States High Commissioner in the Philippines (McNutt)*

WASHINGTON, June 26, 1946.

1155. For High Commissioner. Dept is sending you by hand of Weldon Jones <sup>49</sup> duplicate texts ready for signing on July 4 of Treaty of General Relations between US and the Republic of the Philip-

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<sup>48</sup> Notation by the Acting Secretary of State: "Approved by the President in conference with Messrs. Acheson & Clayton. 6/26/46. DA." In telegram 1148, June 26, 8 p. m., to Manila, Mr. Acheson reported the situation to Mr. McNutt and asked him to inform President Roxas that the U. S. Government "believes it in long-term interests both countries that Phil Govt should give appropriate consideration to the trade agreement after July 4. This matter has been discussed with President Truman, who fully approves." (611.11B31/6-2646)

<sup>49</sup> Budget Bureau; member of Philippine Celebration Commission.

piners.<sup>50</sup> Jones also bringing copy of President's proclamation on July 4 recognizing and proclaiming independence Philippines. Congressional delegation, with which Jones is travelling, expects reach Manila July 2.

ACHESON

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611.11B31/6-2746

*President Truman to the President of the Commonwealth of the Philippines (Roxas)*

WASHINGTON, June 27, 1946.

MY DEAR MR. PRESIDENT: This is in reply to your letter of June 6 to the High Commissioner<sup>51</sup> with reference to the proposed suspension of the two-cents-per-pound additional processing tax on coconut oil of other than Philippine origin. You state that you are concerned that the suspension of this additional tax on non-Philippine coconut oil may interfere with the marketing of Philippine copra and coconut oil in the United States during the next 12 months, and further, that it might open the way to a complete elimination later of the preferential treatment Philippine copra and coconut oil now receive in the United States. I recognize the importance of these questions to the Philippines and have given careful consideration to the points you raise in connection with them.

The sole purpose of suspending the additional tax at this time is to assist us in meeting an emergency situation arising out of our fats and oils shortage and our inability during the war to obtain our requirements of coconut oil from the Philippines. We are willing to buy the entire exportable surplus of Philippine copra and coconut oil for the next 12 months. Negotiations toward this end are now in progress in Manila. We are also willing to review periodically, or upon the request of the Philippine Government, the availability of copra and coconut oil for processing in the United States and to issue a proclamation terminating the suspension as soon as coconut oil supplies are sufficient to meet our requirements. Unfortunately, the fact is that at the present time the available supply of Philippine copra and coconut oil is entirely inadequate to meet our needs.

In view of these considerations I sincerely believe the suspension of Section 2470(a)(2) of the Internal Revenue Code will not in any way adversely affect the best interests of the Philippines. Accordingly, I am issuing a proclamation in accordance with Section 505 of

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<sup>50</sup> In telegram 1163, June 27, to Manila, the Department informed Mr. McNutt of the President's signature of full power "to conclude and sign on or about July 4, 1946 a treaty of general relations, with an accompanying protocol, and related agreements" with the Philippines (711.11B/6-2746).

<sup>51</sup> Not printed.

the Philippine Trade Act of 1946 finding that adequate supplies of Philippine copra and coconut oil are not readily available for processing in the United States. If at any time you find that the suspension is working any hardship on the Philippine producer or on the Philippine Government, please let us know so that appropriate steps may be taken to remedy the situation.

Very sincerely yours,

HARRY S. TRUMAN

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711.11B/6-2846

*Memorandum of Telephone Conversation, by the Acting Secretary  
of State*

[WASHINGTON,] June 28, 1946.

Ambassador McNutt telephoned me this morning from Manila and told me that the situation there would be extremely awkward if he were not permitted to sign the Treaty of Friendship, Commerce and Navigation with the Philippines until after July 4. Mr. McNutt said that the situation required that the signature take place prior to that date, the public expected it to be done and President Roxas was urging it very strongly. He spoke at some length about the embarrassing situation which would be created for President Roxas with the Philippine Congress if this were not done. I told the Ambassador that we did not wish to coerce Roxas in any way—that he could go ahead if he wished to—but that the treaty could not be signed in behalf of the United States until after July 4. I said that the President's instruction to me had been to that effect. I would, however, talk with the President about it again today just as soon as I could arrange to see him, and telephone Mr. McNutt.

I called Mr. McNutt after talking with the President and Mr. Keech,<sup>52</sup> who accompanied me to the White House. I said that the President was very firm that he did not want the agreement signed on our behalf until after July 4. The President had no objection whatever to President Roxas going ahead with getting Philippine Congressional authorization in any way that he wished but he was very emphatic that he did not think the agreement should be signed by the United States until the Philippines are independent and both countries are on an equal status. Mr. McNutt said that he did not know what effect this would have on the situation there but that he would convey President Truman's decision to President Roxas. I stated that I thought it would come out all right. I said that Roxas would have the exact words of the agreement—that we had sent suggested changes to Manila by cable.<sup>53</sup> Mr. McNutt told me that he had

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<sup>52</sup> Richmond B. Keech, Administrative Assistant to President Truman.

<sup>53</sup> Telegram 1180, June 28, not printed.



not received these changes and asked whether I would have someone telephone him today and give them to him. I arranged to have Mr. Thorp<sup>54</sup> telephone Mr. McNutt and give him this information.

DEAN ACHESON

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611.11B31/6-2846

*Memorandum of Telephone Conversation, by the Associate Chief,  
Division of Commercial Policy (Willoughby)*

[WASHINGTON,] June 28, 1946—9:45 p. m.

Pursuant to instructions from Mr. Thorp, I read to Mr. McNutt a telegram concerning changes to be made in the draft executive agreement on trade relations. The telegram had been filed for despatch several hours before, but Mr. McNutt said that he needed it Saturday<sup>55</sup> and that a jammed communication system made it unlikely that he would get it in time.

After I had finished reading the telegram Mr. McNutt said that following his last telephone conversation with the Acting Secretary he had talked to President Roxas, and that the latter wanted to sign the executive agreement on trade relations after the independence ceremonies on July 4. He went on to say that it seemed to him that if the signature is after independence, it will not make any difference how long after. I agreed.

Mr. McNutt said that his authority to sign covered only the provisional agreement and would have to be broadened. I told him that I would take care of that.<sup>56</sup> (I phoned the information to Mr. Lockhart (PI) at his home.)

With respect to the recommendation in the Department's telegram that the number of Americans to be permitted to enter the Philippines under Article VI of the proposed agreement should be increased from 1200 to 2000, Mr. McNutt said that we could "forget" the 2,000 figure as "1200 is in the agreement" and cannot be changed.

In response to a previous request by Mr. Lockhart, I told Mr. McNutt that the President's proclamation of independence of the Philippines was being revised and would be telegraphed in the next day or so.

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<sup>54</sup> Willard L. Thorp, Deputy to Assistant Secretary of State for Economic Affairs Clayton.

<sup>55</sup> June 29.

<sup>56</sup> See footnote 50, p. 892. In telegram 1195, July 1, to Manila, the Department confirmed that full power had been given to sign all agreements on or about July 4 (811B.01/7-146).

811B.20 Mission/7-246

*The Acting Secretary of State to the United States High  
Commissioner in the Philippines (McNutt)*

WASHINGTON, July 2, 1946.

MY DEAR MR. MCNUTT: There is enclosed a copy of the draft agreement between the United States of America and the Republic of the Philippines concerning the rendering of military assistance to the Philippines.<sup>57</sup> This draft agreement has been prepared by this Department in collaboration with the War and Navy Departments.

It is requested that you present this draft agreement to President Roxas for his consideration and as the basis for negotiations between the Philippine authorities and this Government. It is further requested that you assume charge of the negotiations on behalf of this Government. Negotiations in connection with the draft agreement should, of course, be on an *ad referendum* basis.

In connection with Article XVI (Jurisdiction) of the draft agreement, if you find that this article is unacceptable to the Philippine representatives after reasonable discussion and explanation, you are requested to so inform the Department, at the same time indicating if possible the nature of an alternative provision that you feel should then be proposed by this Government.

Also in connection with Article XVI on jurisdiction you will recall that a copy of the Agreement between the United States and Great Britain concerning Leased Naval and Air Bases signed March 27, 1941 (U.S. Executive Agreement Series no. 235) was sent to you with my letter of June 14.<sup>58</sup> It is possible that you may wish to refer to that agreement in connection with your negotiations with the Philippine authorities.

You will further recall that President Roxas has sent to the United States a group of three experts who are to discuss with the appropriate authorities here questions relating to supplies and other technical details connected with the agreement.

Sincerely yours,

DEAN ACHESON

102.1/7-346 : Telegram

*The Acting Secretary of State to the Consul General at Manila  
(Steintorf)*

RESTRICTED

WASHINGTON, July 3, 1946—8 p. m.

1225. For Hoflich from the Secretary of the Treasury. The following is text of a letter being sent today to the Secretary of State. You

<sup>57</sup> Draft not printed.<sup>58</sup> See footnote 42, p. 885.

may convey this information informally to the appropriate representatives of the Philippine Government:

"Sir: There is enclosed for your info a copy of a letter addressed to this Department by the Under Secretary of the Interior<sup>59</sup> transmitting a cable message from the Honorable Manuel Roxas, President of the Commonwealth of the Philippines, stating that the Philippine Government proposes to pay over to the US all of the sinking funds for outstanding bonds issued prior to May 1, 1934, as required by Section 6(g)(4) of the amended Philippine Independence Act, but that the Philippine Government is unable without undue hardship to turn over to the US at this time the total amount required for the ultimate payment of all of its outstanding bonds issued prior to May 1, 1934, and the interest thereon. Consequently, President Roxas requests that the Philippine Government be permitted to continue to provide annually the necessary funds for the payment of interest and principal on such outstanding Philippine bonds. The Under Secretary of the Interior also states that the payment of the total amount at this time would impose severe hardship on the Philippine Government and recommends that the Philippine Government be permitted to pay future principal and interest on an annual basis.

In view of statements of President Roxas, the recommendation of the Under Secretary of the Interior, and analyses of the Philippine fiscal situation which have been made recently in the Treasury, the Secretary of the Treasury has determined that the payment to the Secretary by the Philippine Government, on or before July 4, 1946, of an amount sufficient to insure payment of principal and interest on all outstanding bonds of the Philippines, its provinces, cities and municipalities, issued prior to May 1, 1934, under authority of Acts of Congress, would impose an undue hardship upon the Philippines. Therefore, under the provisions of Section 6(g)(4) referred to above, the Philippine Government shall continue to provide annually the necessary funds for the payment of interest and principal on such bonds until such time as the Secretary of the Treasury of the US determines that the amount in the special trust account is adequate to meet interest and principal payments on such bonds.

It will be appreciated if you will advise President Roxas of this finding by cable through the appropriate channels at the earliest practicable time.<sup>60</sup> (signed) Secretary of the Treasury."

ACHESON

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711.11B/7-346: Telegram

*The Acting Secretary of State to the United States High Commissioner in the Philippines (McNutt)*

SECRET

WASHINGTON, July 3, 1946—8 p. m.

1226. For High Commissioner. Dept now negotiating with British revision jurisdiction article British Base Agreement and expects

<sup>59</sup> Oscar L. Chapman.

<sup>60</sup> Mr. McNutt informally gave the information to President Roxas on July 9 (102.1/7-1146).



conclude negotiations shortly. You are requested propose Philippine authorities that Philippine Base Agreement be signed July 4 substituting for Art. 14 provision as follows: "The question of jurisdiction to be exercised over offenses committed by members of US armed forces connected with the maintenance or operation of the bases, and civilian personnel officially connected therewith, is reserved for settlement by agreement between the two parties to be reached within 2 months from the date of the signature of this agreement. Pending conclusion of such agreement it is mutually agreed that the provisions of Executive Order no. 151 of the President of the Philippines, Apr 30, 1938 shall be applied." In this connection you may say to President Roxas this Govt hopes he will be prepared accept in proposed agreement whatever provision concerning jurisdiction may be worked out between this Govt and British. State, War and Navy attach importance signing of base agreement on July 4.

ACHESON

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[For texts of statements issued on July 3 by President Truman and by Acting Secretary of State Acheson on Philippine independence, see Department of State *Bulletin*, July 14, 1946, page 67. For special radio program celebrating Philippine independence, including messages by President Truman and Acting Secretary Acheson, see *ibid.*, pages 67-69. For President Truman's proclamation on the independence of the Philippines, July 4, 1946, see *ibid.*, page 66.

The treaty of general relations, with accompanying protocol, between the United States and the Philippines, signed at Manila, July 4, 1946, came into force October 22 upon the exchange of ratifications. For text, see Department of State *Bulletin*, November 3, 1946, pages 824-826. For the Secretary of State's memorandum to the President, July 26, and President Truman's message to the Senate, July 30, see *ibid.*, August 11, 1946, pages 282-283.

The agreement between the United States and the Philippines concerning trade and related matters, based on the Philippine Trade Act of 1946 (approved April 30; Public Law 371, 79th Congress; 60 Stat. 141), was signed at Manila, July 4, 1946, amended by an exchange of notes signed October 22, proclaimed by President Truman on December 17 (effective December 18), and proclaimed by President Roxas on January 1, 1947 (in force January 2, 1947).]

711.36/7-1646: Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary  
of State*

CONFIDENTIAL

MANILA, July 16, 1946—10 a. m.

[Received July 16—6:30 a. m.]

59. Draft treaty<sup>61</sup> informally presented with warning many changes necessary. Philippine Govt not yet organized for detailed discussion formal negotiations. Hope begin by August 1 if changes mentioned your telegram received.<sup>62</sup>

McNUTT

896.00/7-1746

*The Ambassador in the Philippines (McNutt) to the Secretary  
of State*

SECRET

MANILA, July 17, 1946.

No. 27

[Received July 25.]

SIR: I have the honor to inform the Department that President Roxas recently telegraphed to General MacArthur requesting the latter to surrender Jose P. Laurel and Jorge Vargas to the Philippine civil authorities for trial on charges of collaboration with the enemy.

Laurel was president of the puppet government and Vargas its Ambassador to Japan. Upon the reoccupation of the Philippines by our forces they were taken to Japan where, after the surrender, they were apprehended by American military authorities and have since been held in custody.

General MacArthur has stated in the past that he would surrender these two prisoners to the Commonwealth authorities upon its application but neither President Osmeña nor President Roxas took any action during the life of the Commonwealth. Roxas has informed us that during the General's recent visit to attend the Independence Day ceremonies, he volunteered an offer to surrender them to the new Republic upon receipt of a request from the President. After a few days' deliberation Roxas made the request.

No publicity has been given to this action and even most officials of the Government are ignorant of it. It is even doubtful that the President took all members of his Cabinet into his confidence, although Abello, the Chief of the Executive Office, and not free from the taint of collaboration himself, can scarcely be unaware of the President's move.

<sup>61</sup> Of friendship, commerce, and navigation.

<sup>62</sup> In telegram 91, July 24, 1 p. m., to Manila, the Department sent a change and added: "Since Dept anticipates need to propose changes in draft from time to time, opening of discussions with Philippine Govt need not be delayed pending receipt of additional amendments." (711.96/7-1646)

In the face of campaign charges against himself, and of the continuing pressure for the dropping of all collaboration prosecutions, the President is showing considerable courage in bringing the two alleged arch collaborators to the Philippines for trial. Both the public reaction, when the matter becomes public knowledge, and the ultimate disposition of these two cases, will furnish interesting evidence of Roxas' personal prestige and power.<sup>63</sup>

Respectfully yours,

For the Ambassador:  
NATHANIEL P. DAVIS  
*Minister-Counselor*

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896.01/7-1846

*The Secretary of State to Diplomatic Representatives Abroad*

WASHINGTON, July 18, 1946.

SIRS: There is enclosed herewith a copy of a proclamation issued by the President of the United States<sup>64</sup> proclaiming and recognizing the independence of the Philippines as a separate and self-governing nation and acknowledging the authority and control over the same of the Government instituted by the people thereof under the Philippine Constitution now in force. This proclamation was issued under the authority of the Act of Congress approved March 24, 1934, known as the Philippine Independence Act.

You are instructed to inform the Government to which you are accredited of the action taken by the President and you will at the same time indicate that the Government of the United States would be pleased if the Government to which you are accredited would extend recognition to the new Republic of the Philippines. Such recognition was accorded by this Government on July 4 as indicated by the enclosed proclamation. In communicating the foregoing notice, the Department desires that you transmit a copy of the enclosed proclamation, for which purpose an additional copy of the proclamation is enclosed.

Very truly yours,

For the Secretary of State:  
DEAN ACHESON

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<sup>63</sup> Laurel and Vargas were released on bail by the Philippine People's Court in September and October, respectively, pending trial.

<sup>64</sup> July 4, 1946; for text, see Department of State *Bulletin*, July 14, 1946, p. 66, or 60 Stat. (pt. 2) 1352.



711.96/7-2646 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

CONFIDENTIAL

MANILA, July 26, 1946—1 p. m.

[Received July 26—4:50 a. m.]

104. Following status treaties, conventions mentioned your telegram 79, July 22.<sup>65</sup>

1. Military base agreement. President plans appoint Congress committee assist negotiation. Studying provisions. Should move shortly.

2. Arbitration, conciliation, extradition and consular conventions under study Foreign Office and informal discussion with Embassy. No counter-proposals in prospect other than verbal changes. Expect agreement shortly.

3. Income and inheritance tax conventions under study by Foreign Office which has made no comment to date.

McNUTT

896.51/7-2646 : Telegram

*The Secretary of State to the Ambassador in the Philippines (McNutt)*

CONFIDENTIAL

WASHINGTON, July 26, 1946—7 p. m.

US URGENT

110. For McNutt and Hoflich from SecState and SecTreas: Please thank President Roxas for data submitted through your office<sup>66</sup> in response to our recent request. With respect to application for budgetary loan, please inform President Roxas National Advisory Council on International Monetary and Financial Problems agreed that Congress should be urged to authorize Sectreas to extend credits not exceeding \$75 million to Philgovt at such time or times before July 1, 1947 and upon such terms and conditions as Sectreas with approval of NAC shall deem warranted by financial position of Philgovt.<sup>67</sup> Congressman Bell introduced in House and Senator Wagner in Senate legislation along these lines but authorizing credits up to total of \$100 million. Sectreas, Secstate and NAC supported bill but recommended authorization be limited to \$75 million. House Currency and Banking Committee has reported favorably on legisla-

<sup>65</sup> Not printed.

<sup>66</sup> Telegram 41, July 12, not printed. It was supplemented by telegram 83, July 20, 10 a. m., not printed.

<sup>67</sup> In telegram 177, August 9, 6 p. m., to Manila, the Department advised that such a loan had been authorized in Public Law 656, approved August 7 by President Truman; the Reconstruction Finance Corporation was to handle the loan (896.51/7-3146).

tion, with amount reduced to \$75 million and minimum interest 2 percent.

NAC has further agreed on desirability of establishing Joint American-Philippine Commission to consider financial and budgetary problems of Philippines and make recommendations to two governments. Report such commission considered basic to consideration longer run aspects President Roxas request for budgetary assistance.

Action of NAC in recommending \$75 million based mainly on analysis of income likely to be received in fiscal 1947 from US Govt but not reflected in budget estimates. Possible receipts from sales surplus property not included in this analysis (Emb's 72, July 18<sup>68</sup>).

Regarding application for Export-Import Bank loan NAC does not approve consideration by Eximbank at present of a credit to Philippines, but Eximbank not precluded by this action from consideration of extension of exporter credits which may require Philgovt guarantee. This is Treas cable No. P.I. 128.

BYRNES

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S11.24596/8-1146 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

SECRET

MANILA, August 11, 1946—9 a. m.  
[Received August 11—1:12 a. m.]

188. 1. Question of jurisdiction principal [obstacle?] prompt completion negotiations base and military assistance agreements. Case referred to urtel 145, August 5,<sup>68</sup> is kind of incident which can render agreement even more difficult. Therefore, believe policy should be based on realistic appraisal actual situation which clearly is as follows:

2. In the absence any agreement or treaty or general diplomatic immunity, jurisdiction over all persons irrespective nationality or military or civil status rests with Philippine Government. The President has, of his own volition, agreed to consider Executive Order 151 in March [*force?*] pending conclusion base agreement. Interpretation Executive Order 151 is prerogative of Philippine Government not of US, any agency thereof or military authorities.

3. Facts case described AFWESPAC message 642044 CSP August 3 briefly these: American officer, occupying quarters leased by Army, awoke during night, heard intruder in house, captured intruder, summoned military police. While awaiting arrival military police,

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<sup>68</sup> Not printed.

intruder attempted escape, officer fired pistol wounding him. Military Police delivered intruder to Philippine Civil Police in whose custody he remains. No charges or action have been made or taken against American officer.

4. Will report any further developments.

McNUTT

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896.51/8-2446 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

MANILA, August 24, 1946.

[Received August 23—9:47 p. m.]

233. For State and Treasury: 1. President Roxas has appointed Marciano Guevara, Treasurer of the Philippine Islands, to be Chief Foreign Funds Control Office, which will be opened September 1 assuming within jurisdiction of Philippine Islands foreign funds control, functions heretofore exercised by Philippine Islands Office Foreign Funds Control US Treasury Dept which I desire to close August 31. Urgent that Treasury prepare and obtain President's approval on or before August 31 of an Executive Order amending 9747 of July 3 in such manner as to withdraw authority delegated Secretary of Treasury in Philippine Islands without in any way disturbing authority delegated therein to Alien Property Custodian.

2. I am informed Philippine Islands Govt will request: (a) All necessary arrangements to carry out transfer of responsibility for administration foreign funds control be made or authorized; (b) transfer all records essential to carrying out the functions; and (c) designation US Treasury representatives Eames and Lancione and such other technical men as may be available to serve as advisers to Philippine Islands Govt for indefinite period probably not exceeding 3 months.

3. Unless information to contrary received, I shall reply in following sense: (a) Necessary arrangements to close US Treasury's Foreign Funds control on August 31 will be made; (b) copies of all licenses issued by Treasury office will be transferred. Confidential files concerning watch listed nationals will be retained in Embassy but will be available to Philippine Islands Govt on specific request; (c) that it is considered inappropriate to designate Eames and Lancione to serve as advisers to Philippine Islands Govt but that they will be available at Embassy for conferences with Guevara and staff on technical matters only.

This is Treasury cable No. 229.

McNUTT



896.51/8-2646

*The Acting Secretary of State to President Truman*

WASHINGTON, August 26, 1946.

MY DEAR MR. PRESIDENT: The Third Deficiency Appropriation Act, 1946, approved July 23, 1946 provides an appropriation of \$33,-000,000 for the purpose of carrying out the provisions of sections 302, 303, 304 and 305 of Title III of the Philippine Rehabilitation Act of 1946.

The Appropriation Act authorizes the Secretary of State, or such official as he may designate, to transfer any part of this appropriation to any department or independent establishment of the Government for direct expenditure to carry out the purposes of the appropriation. The Appropriation Act further provides that transfers of funds thereunder shall be approved by you prior to such transfers.

The Appropriation Act imposes no restrictions with respect to the amounts which may be transferred to any of the departments or independent establishments which are participating. This Department, nevertheless, in consultation with the several departments and agencies concerned, and after consultation with the Philippine Government, proposes to be guided in making the transfers by the budget estimates which have been presented to Congress. It is our objective to attain the maximum effectiveness of the program through such action. We also intend to make no major adjustments among the various activities without first conferring with the Bureau of Budget.

It is therefore recommended, in accordance with the provisions of the Third Deficiency Appropriation Act, 1946, and the Philippine Rehabilitation Act of 1946, that you indicate hereon your approval of the transfer by the Secretary of State, or such official as he may designate, of any part of the appropriation authorized and contained in these Acts, to any department or independent establishment of the Government on the basis herewith proposed.<sup>70</sup>

Faithfully yours,

DEAN ACHESON

811.24596/8-2746 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

RESTRICTED

MANILA, August 27, 1946—9 a. m.  
[Received August 27—1:35 a. m.]

246. Mytel 242, August 26.<sup>71</sup> Although language some parts Department's draft military base agreement suggest mere executive

<sup>70</sup> In telegram 464, October 8, noon, to Manila, the Department reported the allocation of funds authorized under these Acts (896.51/9-2046).

<sup>71</sup> Not printed.

agreement intended, other sections indicate formal treaty. At any rate President Philippines considers he cannot commit his government without consent Philippine Senate. This being so, presume US Senate must also advise consent ratification. If this presumption correct, please instruct regarding rewording article 29 your draft. If not, please explain how ratification unnecessary our end for communication to Philippine Government.<sup>72</sup>

McNUTT

896.24/9-346 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

RESTRICTED

MANILA, September 3, 1946—4 p. m.  
[Received September 3—6:12 a. m.]

288. Following agreement reached with Roxas, Petersen,<sup>73</sup> McCabe:<sup>74</sup>

1. Estimate present fair value surplus property in Philippines approximately 147,000,000.
2. Of this 100,000,000 to be delivered to Philippine Government under section 205 Philippine Rehabilitation Act.
3. Of balance of approximately 47,000,000; 10,000,000 to be reserved for sale to Korea or elsewhere to meet existing commitments.
4. Remaining 37,000,000 to be transferred to Philippine Government together with \$25,000,000 cash against its agreement to (a) assume liability for emergency currency advanced by local government entities to US forces before Corregidor surrender. (b) Assume liability for all outstanding guerilla currency. (c) Purchase or expropriate and transfer title to US of real estate required for diplomatic, consular and other official use to value \$3,000,000. (d) Expend over a period of years \$2,000,000 for cultural exchanges.
5. Estimated outstanding emergency currency \$5,000,000 guerilla currency issued total about 60,000,000. Realizable value 37,000,000 fair value residue surplus property problematical. Considering these factors believe foregoing agreement highly satisfactory to US. Equally advantageous to Philippines as it provides immediate cash, leaves proceeds sales surplus in the country, avoids use dollar exchange.

<sup>72</sup> In telegram 310, September 6, 6 p. m., to Manila, the Department replied that it contemplated an executive agreement, which the President had been authorized to conclude in joint resolution approved June 29, 1944 (Public Law 380, 79th Congress). The Department added, "If Roxas decides ratification Phil Cong necessary, you are authorized delete 'signature' in Art 29 and insert 'acceptance by both Governments'." (811.24596/8-2746)

<sup>73</sup> Howard C. Petersen, Assistant Secretary of War.

<sup>74</sup> Thomas B. McCabe, Foreign Liquidation Commissioner and Special Assistant to the Secretary of State.

6. Details agreement on these principles to be worked out locally.
7. Congressional leaders will support these proposals and enact requisite legislation.

McNUTT

S11.24596/9-546 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary  
of State*

RESTRICTED

MANILA, September 5, 1946—4 p. m.  
[Received September 5—7:10 a. m.]

305. Commenting on local press reports that military base negotiations have reached deadlock, President Roxas today issued statement branding reports as untrue and calling upon press and upon "persons into whose possession comes knowledge of these negotiations" to refrain from publishing or disseminating such knowledge which is "vital to the security of the Philippines" and whose dissemination can be "used to our national disadvantage". Roxas' press statement said negotiations proceeding routinely but that "intimate details" must not be disclosed since they feel involve mutual security of the Philippines and the United States.

Roxas advised US he warned Philippine negotiators to refrain from comment to press on progress or detail of negotiation. Identity of individuals who disclosed information to reporters has not be [*been?*] ascertained. Several papers prominently displaced [*displayed?*] reports of alleged deadlock and gave details of negotiations.

McNUTT

896.24/9-646 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary  
of State*

US URGENT

MANILA, September 6, 1946.  
Received September 6—7:35 a. m.]

312. Reference Treasury PI cable No. 139.<sup>75</sup>

Part I. For Treasury from McNutt and Lancione.<sup>76</sup>

(1) McCabe on way to Washington but has been advised by telephone contents Treasury's cable.

(2) It is FLC's intention to sign agreement on behalf US Government as soon as text acceptable to Philippine Republic is prepared.

(3) President's letter of October 25, which was drafted by me, directing Treasury and War to formulate recommendations re US

<sup>75</sup> Telegram 297, September 4, to Manila, not printed.

<sup>76</sup> Treasury representative in the Philippines.



Govt's obligation to redeem emergency and guerrilla currency, was intended to facilitate settlement of problem prior to Philippine Independence. In my opinion, upon Independence, problem became one for settlement Philippine Republic. Moral and legal responsibility US Govt satisfied by providing Philippine Govt with adequate means to retire US share outstanding emergency and guerrilla currency.

(4) Agreement provides for sufficient cash payment to preserve present financial position Philippine Govt. FLC reports weekly sales surplus totalling \$2,100,000. This includes sales to UNRRA, USCC and foreign govts. FLC anticipates that without any sales to latter, weekly sales by Philippine Govt will average \$500,000, and estimates that expenses should not exceed \$900,000 per month. In other words, net revenue to Philippine Govt from sale surplus will probably exceed \$1,000,000 per month.

(5) Present draft agreement provides that if a material disparity is found to exist between the property transferred to Philippines and the consideration given therefor by Philippines, the two govts will consult together to fix appropriate adjustment in price paid. With reference to emergency and guerrilla currency draft agreement provides:

"That the United States shall forthwith pay to the Philippines, the sum of \$25,000,000 on account and in part payment of the financial obligations and responsibilities of the United States arising from

(1) The issuance of emergency currency, guerrilla currency, military scrip or other writings intended to circulate as currency, and

(2) Any advances, loans, credits and overdrafts by the Philippine National Bank, the Commonwealth of the Philippines or any corporation, political subdivision or agent thereof, during the war with Japan but not after August 14, 1945; and that the Philippines, as partial consideration for the property transferred hereunder and not identified pursuant to paragraph A as granted under the Philippine Rehabilitation Act of 1946, hereby releases and acquits the United States of the unpaid balance of the financial obligations and responsibilities aforesaid and shall for [apparent omission] indemnity and hold the United States harmless from claims and demands arising therefrom by any person or persons whomsoever."

(6) Agreement subject to approval by Philippine Congress. William E. Vogelback, head FLC in Pacific, will sign for US Govt.

(7) Roxas has informally requested immediate action re creation joint financial commission and advance of funds for budgetary purposes.

Part II. For Snyder from McNutt and McCabe.

We consider it desirable to sign agreement as soon as draft acceptable to Philippine Govt can be prepared.

This cable No. 234.

McNUTT

896.00/9-746 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

CONFIDENTIAL

MANILA, September 7, 1946—10 a. m.  
[Received September 6—11:40 p. m.]

313. Roxas expects to issue general amnesty within 48 hours for all guerrillas and others in resistance movement who committed acts of violence against persons and property in furtherance of resistance movement. AFWESPAC had recommended such. Roxas will establish three guerrilla amnesty commissions to sift cases and determine which offenses were in furtherance of resistance movement. Since concurrence of Congress is required by Philippine Constitution for general amnesty, Roxas will send proclamation to Congress with request for concurrence.<sup>77</sup> He will also recommend that act of concurrence specify that acts of violence punishable under penal code but committed in furtherance of resistance movement shall be exonerable. Proof that such acts were committed in furtherance of resistance, established either in court or before an amnesty commission, will be grounds for dismissal of case and inclusion under amnesty. More than 1,000 cases pending and disposed of, many with convictions, will be affected. Many other cases now in process of preparation.

McNUTT

811.24596/9-746 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

RESTRICTED

MANILA, September 7, 1946—4 p. m.  
[Received September 7—9:05 a. m.]

323. Negotiators have agreed: 1. On following substitution for article XIV:

"1. The Government of the Republic of the Philippines consents that the Government of the United States shall have the right to exercise jurisdiction over the following offenses: (a) Any offense committed by any person within any base; (b) any offense committed outside the bases by any member of the armed forces of the United States in which the offended party is also a member of the armed forces of the United States; and (c) any offense committed outside the bases by any member of the armed forces of the United States against the security of the Government of the United States.

<sup>77</sup> The proclamation was issued on September 7 and concurred in by the Philippine Congress on September 18. In despatch 214, October 7, from Manila, the opinion was expressed that "It is logical to assume that amnesty will be a favorable influence upon President Roxas' drive for the restoration of law and order in addition to providing just treatment for the guerrillas who took part in the resistance movement." (896.00/10-746)



"2. The Republic of the Philippines shall have the right to exercise exclusive jurisdiction over all other offenses committed outside the bases by any member of the armed forces of the United States.

"3. Whenever for special reasons the United States may desire not to exercise the jurisdiction reserved to it in paragraphs 1 and 6 of this article, the officer holding the offender in custody shall so notify the prosecuting attorney of the city of [or?] province in which the offense has been committed within 10 days after his arrest, and in such a case the Republic of the Philippines shall be free to exercise jurisdiction.

"4. Whenever for special reasons the Republic of the Philippines may desire not to exercise the jurisdiction reserved to it in paragraph 2 of this article, the prosecuting attorney of the city or province where the offense has been committed shall so notify the officer holding the offender in custody within 10 days after his arrest, and in such a case the United States shall be free to exercise jurisdiction. If any offense falling under paragraph 2 of this article is committed by any member of the armed forces of the United States while engaged in the actual performance of military duty, and the fiscal (prosecuting attorney) so finds from the evidence, he shall immediately notify the officer holding the offender in custody that the United States is free to exercise jurisdiction. In the event the fiscal finds that the offense was not committed in the actual performance of a specific military duty, the offender's commanding officer shall have the right to appeal from such finding to the Secretary of Justice within 10 days from the receipt of the decision of the fiscal.

"5. In all cases over which the Republic of the Philippines exercises jurisdiction the custody of the accused pending trial and final judgment shall be entrusted without delay to the commanding officer by the nearest base, who shall acknowledge in writing that such accused has been delivered to him for custody pending trial in a competent court of the Philippines and that he will be held ready to appear and will be produced before said court when required by it. The commanding officer shall be furnished by the fiscal with a copy of the information against the accused upon the ruling of the original in the competent court (clause to be added here covering case expiration of enlistment while in custody.)

"6. Notwithstanding the foregoing provisions, it is mutually agreed that in time of war the United States shall have the right to exercise exclusive jurisdiction over any offenses which may be committed by members of the armed forces of the United States in the Philippines. (We hope to secure Philippines' consent to insert after "war" the phrase "or national emergency declared by either government".)

"7. The Government of the US agrees that it will not grant asylum in any of the bases to any person fleeing from the lawful jurisdiction of the Republic of the Philippines. Should any such person be found in any base, he will be surrendered on demand to the competent authorities of the Republic of the Philippines.

"8. In every case in which jurisdiction over an offense is exercised by the United States, the offended party may institute a separate civil action against the offender in the proper court of the Republic of the Philippines to enforce the civil liability which under the laws of the Philippines may arise from the offense."



2. Negotiators have accepted original draft article XIII, paragraph 4, striking out "ordinarily" between "America" and "resident".

3. Agreement has been reached substitute for article XXII temporary installations the following: "It is mutually agreed that the Govt of the United States of America shall retain the right to occupy temporary quarters and installations now outside the bases for such reasonable time, not exceeding 2 years, as may be necessary to develop adequate facilities within the bases for the United States armed forces. If circumstances require an extension of time such a period will be fixed by mutual agreement of the two governments."

Still under discussion is American proposal addition sentence reading: "The terms of this agreement pertaining to bases shall be applicable to such temporary quarters and installations while they are so occupied."

4. Army Navy commanders will have agreed annex changes heretofore reported and reductions some areas. Only important items still unsettled are Fort McKinley Nichols area, Annex A, part 1 and conditions surrounding use Army supply base Rizal, Annex A, part 4.

5. As Roxas anxious present treaty to Senate for ratification this session which by law must end September 18, request immediate approval changes reported to date and authorization local agreement on alteration annexes.

McNUTT

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896.00/9-846 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

SECRET

MANILA, September 8, 1946—8 p. m.  
[Received September 8—8:20 a. m.]

327. On evening of September 5, Philippine military police command, in pursuance of campaign to seize illegally held arms, stamp out lawlessness and curtail activities of Chinese and other alien Communists alleged to be aiding Hukbalahaps in resistance to Government authority, raided two Chinese newspapers, *China Guide* and *Chinese Commercial Bulletin*, allegedly operated by Chinese Communists, and took into custody 54 persons, including staff members, employees and associates. Also raided Chinese school.

Other Manila newspapers reported that the head of the Manila Kuomintang helped direct the raids. Newspapers gave sensational publicity to these raids. Roxas advised us informally Chinese Consul General Tuan addressed a letter to Philippine Govt suggesting and requesting the raids, and asserting existence of tie-up between Chinese Communists and Hukbalahaps. Roxas was concerned over public implication of raids and ordered all persons apprehended rapidly

screened and released unless charges could be brought, also directed military police command to refrain from further similar raids. He has ordered an investigation of this entire situation.

His executive secretary, Abello, was directed to write a letter of apology to *Chinese Commercial Bulletin*, which was a prominent resistance newspaper during Japanese occupation. It is reliably reported that Chinese officials see present opportunity to liquidate Chinese Communist elements in Philippines. They are urging Philippine Govt to deport all Chinese Communists. According to available information, rivalry between Kuomintang and Communist elements based on economic as well as political factors. Numerous recent kidnappings, murders and other criminal acts in Chinese community ascribed to this division with few cases solved. Informants say criminal acts performed on both sides with Kuomintang group somewhat more militant and ruthless, having protection of Consul General.

Undoubtedly true some Chinese Communist groups cooperating closely with Hukbalahaps and other radical movements here. Roxas is intent on eliminating Chinese activities in domestic political, social movements. Current drive against Chinese Communists gathers strength from endemic anti-Chinese feeling.

McNUTT

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896.51/7-3146 : Telegram

*The Acting Secretary of State to the Ambassador in the Philippines  
(McNutt)*

CONFIDENTIAL

WASHINGTON, September 10, 1946—7 p. m.

321. For McNutt from Acting Secretary Clayton and Secretary Snyder.

Re Deptel 177 Aug 9 and Embtel 222 Aug 21.<sup>78</sup> Serious consideration given your proposals composition Joint Commission. Because of special needs here however State and Treasury jointly propose that American-Philippine Financial Commission consist of three American and three Filipino members with co-chairmanship. American members to include a representative of State as co-chairman, Treasury, and Federal Reserve Board. Expect American delegation will have additional staff members to advise chairman on specific technical problems. Terms of reference of Joint Commission as follows: To consider the financial and budgetary problems of the Philippine Government and to make recommendations thereon to the two governments, with reference to tax system and administration, budget, public debt, currency and banking reform, exchange and trade problems, reconstruction and development. Please inform Philippine

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<sup>78</sup> Neither printed.



Government that Commission cannot be empowered to consider application for Eximbank loan as Eximbank and NAC cannot delegate this responsibility. However, findings and recommendations will be brought to attention of Eximbank and NAC and will be of utmost value in their consideration of specific action.

Request you consult with Phil Govt with view to obtaining concurrence in above proposals and early formation and activation of Commission. You will be advised names of American members when designated and probable date of departure. In view of exchange correspondence between President Truman and President Roxas last month on this question, it is desired here that arrangement go forward with all possible speed. Please advise promptly of all developments.<sup>79</sup>

CLAYTON

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896.24/9-1146 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

US URGENT

MANILA, September 11, 1946.

[Received September 11—8:05 a. m.]

345. For Glasser,<sup>80</sup> Treasury, from Lancione.

Part I. Agreement concerning transfer surplus property and liability for redemption emergency and guerrilla currency will be signed this afternoon 5 p. m. September 11 by representative FLC and President Roxas.<sup>81</sup>

Part II. With reference to emergency and guerrilla currency agreement provides:

"That the United States shall forthwith pay to the Philippines the sum of 25 million dollars on account and in part payment of the financial obligation and responsibilities of the United States arising from

(1) The issuance in the Philippines of emergency currency, guerrilla currency, military scrip or other writing intended to circulate as money, the issuance of which was duly authorized, and

(2) Any unpaid advances, loans, credits and overdrafts by the Philippine National Bank, the Commonwealth of the Philippines or any corporation, political subdivision or agent thereof, during the war with Japan but not after the second day of September 1945; and that the Philippines, as partial consideration for the property transferred hereunder and not identified in Article 5a, hereof as granted under the Philippine Rehabilitation Act of 1946, hereby releases and acquits the US of the unpaid balance of the financial obligations and responsibilities aforesaid and shall forever indemnify and hold the US harm-

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<sup>79</sup> On September 17 the Philippine Foreign Office accepted the American proposals (896.51/9-1746).

<sup>80</sup> Harold Glasser, Assistant Director, Division of Monetary Research, Treasury Department.

<sup>81</sup> William E. Vogelback signed for the United States on September 11.



less from all claims and demands of every nature arising therefrom by any person or persons whomsoever."

Remaining provisions cited ourtel 234<sup>82</sup> unchanged.

Complete text follows airmail.<sup>83</sup>

Part III. I did not participate in any of the discussions or negotiations concerning above agreement.

This is A No. 235.

McNUTT

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811.24596/8-2746 : Telegram

*The Acting Secretary of State to the Ambassador in the Philippines*  
(McNutt)

SECRET

WASHINGTON, September 11, 1946— 6 p. m.

328. *Bases Agreement*: 1. All modifications urtels 242, Aug 26; 248, Aug 27; 307, Sept 5; 323, Sept 7; 339, Sept 10<sup>84</sup> approved subject following suggestions:

2. Dept considers suggested addition urtel 339, Sept 10, par. 2, Art. 14 changes meaning of the provision. Change acceptable this Govt but in order avoid possible misunderstanding Dept desires make certain Phil Govt aware that national emergency now legally in existence in US and probability will continue exist some time. Similar considerations suggested connection par. 6, Art. 14, urtel 323, Sept 7 in view existence present time technical state of war between US and Japan and other countries which may continue sometime. Apprise Phil Govt foregoing situation. In event they object you are authorized alter phraseology to make it not applicable to present state of war and national emergency.

3. With reference Art. 22, War Dept not pleased with provision for 2-year period but full authority commit War Dept for whatever can be obtained in this Art. is delegated to CG AFWESPAC. War prefers 5-year period. With regard annexes, CG AFWESPAC has full authority give War Dept's opinion.

4. With reference Art 24 Dept suggests advisability substituting for original draft the following: "For the purpose of promoting and maintaining friendly relations by the prompt settlement of meritorious claims, the Government of the United States shall pay just and reasonable compensation, when accepted by claimants in full satisfaction and in final settlement, for claims, including claims of insured but excluding claims of subrogees, on account of damage to or loss or destruction of private property, both real and personal or personal injury or death of inhabitants of the Philippine Islands, when such

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<sup>82</sup> Telegram 312, September 6, p. 905.

<sup>83</sup> Despatch 163, September 16, not printed.

<sup>84</sup> For telegram 323, September 7, see p. 907; others not printed.

damage, loss, destruction or injury is caused by the Armed Forces of the United States, or individual members thereof, including military or civilian employees thereof, or otherwise incident to non-combat activities of such forces; provided that no claim shall be considered unless presented within one year after the occurrence of the accident or incident out of which such claim arises."

5. If this substitution not agreeable Phil Govt you are authorized accept compromise provision on basis phraseology present Art 24 except that this Govt cannot obligate itself pay any compensation awarded under provisions any Phil law. Basis this inability pay any such compensation is Act of Cong approved January 2, 1942, c. 645 SS 1, 55 Stat. 880, as amended April 22, 1943, c. 67, SS 1, 57 Stat. 66; U.S.C. Feb. 31, SS 224d. This Act provides for establishment Claims Commissions by Sec War and Sec Navy to consider, ascertain, adjust, determine and make payment of meritorious claims on account damage to or loss or destruction private property or personal injury or death inhabitants of a foreign country, when "caused by Army, Navy, or Marine Corps forces, or individual members thereof, including military personnel and civilian employees thereof, or otherwise incident to non-combat activities of such forces" where amount of claim does not exceed \$5,000. Secretaries are given authority, if they deem any claim in excess \$5,000 to be meritorious, to certify "such amount as may be found to be just and reasonable thereon" to Cong as a legal claim for payment out of appropriations that may be made by Cong therefor. SS 2 of Act provides that payments under SS 1 shall be made out of certain definite appropriations pertaining Navy and Army.

6. An agreement to pay "full compensation in accordance with the laws of the Rep of the Phils" would not be consistent with American law and practice. Proposed substitution would in no way deprive Filipinos of right to obtain compensation for damages, but on other hand might even facilitate payment such claims.

7. Navy states Art 14 quoted urtel 323, Sept 7 is not in accord with traditional policy NavDept in that naval authorities deprived of exclusive jurisdiction over members of its forces and it would like you propose word "concurrent" be substituted for "exclusive" Para 2. Navy feels Para 2 will deprive commanding officer authority punish members his command for variety offenses. Nevertheless, Navy willing accept best solution obtainable and does not wish jeopardize signing agreement.

8. Dept shares War Navy Depts' earnest desire that agreement be signed in ample time for ratification by Phil Cong.

CLAYTON



896.51/9-1246 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

RESTRICTED

MANILA, September 12, 1946—4 p. m.  
[Received September 12—6:35 a. m.]

359. For State and Treasury. This is Treasury cable No. 237. Part I. Following cable dated September 11 sent by President Roxas to Ambassador Elizalde:

"In order to expedite economic rehabilitation, create much needed employment opportunities and help solve other social problems and the maintenance of peace and order, I propose to recommend to the Congress the establishment of a rehabilitation finance corporation to be capitalized from the following sources:

"1. By withdrawing from Treasury certificates fund sums in excess of reasonable requirements to maintain sound and secure backing. Law will require at least 60 percent of total issue. No changes proposed on exchange standard fund.

"2. All sums derived from sales of surplus property acquired by Philippines for account on \$100,000,000 granted in war damage act.<sup>85</sup>

"3. Sums representing difference between currency issued and actual currency in circulation which will be determined after registration of all currency in circulation which later on will be exchanged with new Republic currency.

"Concerning paragraph 1, please obtain advice of Treasury Department there. My opinion no danger reducing present reserves considering continuing expenditures by United States Forces in Philippines and war damage payments. Moreover, dollar reserves will not be withdrawn all at once but very gradually as sums may be needed for investments. Should this plan be executed I do not anticipate immediate need pressing loan from Export and Import Bank. Moreover, resources this corporation may be set up as secondary reserve for currency.

"Our agricultural and industrial bank will be consolidated with Rehabilitation Finance Corporation. It will engage mainly in financing reconstruction of destroyed industries, building of desirable new ones, home building construction, irrigation systems, toll bridges, underwriting baby bonds issued by provincial and municipal governments and commercial or other self-liquidating projects of government corporations. These bonds will be sold to the public upon guarantee that they may be cashed in the bank at any time under similar conditions as now existing concerning baby bonds of United States.

"This plan is calculated to avoid inflationary tendency and will be instrumental in creating a bond market here thereby withdrawing from the public excess purchasing power.

"Members of Congress very insistent passage this measure before adjournment on September 18. Unless this Bank is promptly orga-

<sup>85</sup> Philippine Rehabilitation Act of 1946 (Public Law 370), approved April 30, 1946; 60 Stat. 128.



nized there is no hope of starting construction work here in the near future. Will appreciate your reply as soon as possible."

Part II. Embassy's comments will follow soon.

McNUTT

896.51/9-1346 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

SECRET

MANILA, September 13, 1946—11 a. m.  
[Received September 14—9:55 a. m.]

363. For State and Treasury. ReEmbtel 359 of September 12. Part I. Question whether under Section 342 Philippine Trade Act of 1946 Philippine Govt can reduce currency reserve requirement without agreement Pres US. If Philippine Govt permitted to reduce currency reserve at this time, I am apprehensive of reaction of investors whose capital also needed to rehabilitate Philippine economy. Moreover, bankers who recall 1919-21 impairment of Philippine reserves likely to be hypersensitive to amendment currency laws so soon after independence.

Part II. It might be well to suggest that Roxas finance the bank solely through proceeds sale surplus and currency conversion program [and?] sufficient capital could be obtained from these sources to finance bank until Export Import Bank and International Bank prepared to consider rehabilitation loan to Philippine Govt, if additional capital later found to be necessary.

McNUTT

896.51/8-2446 : Telegram

*The Acting Secretary of State to the Ambassador in the Philippines (McNutt)*

CONFIDENTIAL  
US URGENT

WASHINGTON, September 13, 1946—8 p. m.

349. For McNutt and Lancione from Treasury. Philembassy informally advised by Treas technicians (reurtel 237<sup>86</sup>) as follows: Consider establishment proposed rehabilitation finance corporation excellent approach to problems of economic rehabilitation. However concerning proposed reduction Treas certificate fund outlined as point 1 urtel strongly advise this step not be taken at this time. Reasons are (1) such action may weaken confidence in peso if hastily enacted now to provide needed funds (2) believe action along such lines ultimately may be desirable and if recommended by proposed

<sup>86</sup> Telegram 359, September 12, p. 914.

Phil Amer Financial Commission and acted upon early next year would be better received by public as implementation of considered recommendations of commission (3) doubt that corporation would need funds from above source during next 6 months in view of difficulties procurement reconstruction goods and funds that will be available from sales of surplus property and amounts to be realized from registration of currency and resulting determination amount of excess reserves in Treas certificate fund. In connection with latter source, would see no objection to early advance to corporation from Treas certificate fund of an amount not in excess of a reasonably conservative estimate of the amount subsequently to be realized by govt from the registration operation, provided that it is made clear in enabling legislation that this action is in no sense in conflict with 100 percent reserve principle. Suggest an initial authorized capitalization for corporation of three hundred million pesos, which could if necessary be increased at a later date, as program gets into action and extent of reconstruction job can be more accurately determined. Please bring this message to immediate attention of Ambassador McNutt who may consider it appropriate to communicate these views independently to Philgovt. Advise promptly on all developments.<sup>87</sup>

This is cable No. P.I. 144.

CLAYTON

896.51/9-1446 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

NIACT

MANILA, September 14, 1946.

[Received September 14—5 a. m.]

371. Part I. Embassy has received following note addressed directed [*sic*] to the Ambassador:

"Under the terms of the act passed by the last session of the United States Congress, authorization was given the Reconstruction Finance Corporation of the United States to extend to the Philippine Government a \$75 million loan to meet budgetary expenses. We are now in need of funds to meet current expenses. In readjusting our budget we have counted on the \$75 million loan and it would be most convenient if the necessary action were to be taken early by the Reconstruction Finance Corporation in response to this present request. Should the government wish to have more specific data on our immediate fiscal needs, my government will be pleased to supply whatever data is required. In that event my government would be content to receive an immediate loan credit of \$25 million, and the balance at a somewhat later date when we will have been able to provide all

<sup>87</sup> In telegram 577, October 15, 6 p. m., from Manila, Mr. McNutt reported the Philippine Foreign Office note of October 12 accepting the revised American proposals (896.51/10-1546).

the statistics and supporting data which might be required by the Reconstruction Finance Corporation of the United States.

I would like to be able to report to Congress, prior to its adjournment on September the 18th, that your government has taken the necessary steps to make this credit available in accordance with the authorization which your Congress was generous enough to give.["]

Part II. The cash position of the general fund of the Philippine Government is declining rapidly and it is the opinion of the Embassy that first proceeds of the loan will be needed for disbursements early in December. Legislation has been introduced for very substantial increases in tax rates and much of it will be enacted during the present Congressional session but will not substantially increase government income until the first half of next year. The government has been experiencing extraordinary costs in its efforts to reestablish law and order in central Luzon. Inasmuch as it is well known locally that the \$75 million "loan" is in fact only an authorization, a positive expression of intention is needed prior to the adjournment of Congress to sustain the confidence of government employees and institutions including the Philippine Army in the financial stability of their government during the immediate future period. I therefore most urgently recommend that on or before September 18, Reconstruction Finance Corporation announce that \$25 million of the loan has been made available to the Philippine Government for withdrawals on and after November 1st.

McNUTT

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811.24596/9-1646 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

CONFIDENTIAL  
US URGENT

MANILA, September 16, 1946—3 p. m.  
[Received September 16—6:16 a. m.]

376. Roxas informed me last night he will not submit a military base agreement this session because of lack of time for adequate consideration and present unfavorable legislation situation. He is devoting every effort secure requisite majority both houses for equal rights amendment Constitution. Although President Senate, Speaker House both express confidence amendment will receive three-fourths vote both houses, President is seriously concerned as sufficient votes not definitely pledged as of last night. Joint session scheduled for today may be postponed to tomorrow.

President plans major address to nation shortly after adjournment reviewing base negotiations to counteract hostile press and political campaign, then call special session consider base treaty and unfinished domestic legislation.

McNUTT



896.51/9-1446 : Telegram

*The Acting Secretary of State to the Ambassador in the Philippines  
(McNutt)*

US URGENT

WASHINGTON, September 17, 1946.

361. Urtel 371 Sept 14. Please advise Pres Roxas that Congress authorized the extension of credit by RFC to Phil Govt only "upon such terms and conditions as the Reconstruction Finance Corporation after consultation with the National Advisory Council on International Monetary and Financial Problems shall deem to be warranted by the financial position of the" Phil Govt. The US Govt regrets that it will be impossible for RFC and NAC to complete by Sept 18 the necessary consultation on Roxas' request for an immediate credit of \$25 million. Suggest to Roxas that to facilitate consultation, requests for credit advances should be accompanied by data concerning current cash position of Phil Treas, revenues and expenditures of Phil Govt for each month since Jul 1 1946 and anticipated revenues and expenditures for period for which credit is deemed necessary. It would be advisable for Phil Govt to file each request with supporting data at least 3 weeks prior to date when credit advance is deemed necessary, to provide adequate time for consultation. If Phil Govt will provide the necessary data supporting the request for a \$25 million advance, RFC and NAC will be able to reach decision within 3 weeks after receipt of data.<sup>88</sup>

In meantime, if you consider public statement necessary to sustain confidence Phil public you are authorized to state that it is your understanding that US Govt will give prompt consideration to requests for advances under the credit authorization provided by the US Congress, when and as needed to meet essential expenditures of Phil Govt.

Re Treasury tel and urtel concerning currency requirement,<sup>89</sup> Dept concurs in your view and that of Treas experts that it would be unwise for Phil Govt to change currency reserve requirements at this time. Dept hopes expression this general opinion will suffice to influence Roxas against action. Detailed comments urtel 363 Sept 13 and 386 Sept 17<sup>90</sup> will follow soon as possible.

CLAYTON

<sup>88</sup> In telegram 516, October 5, from Manila, Mr. McNutt reported a formal note from the Philippine Government requesting an immediate advance of \$25,000,000 and submitting detailed supporting data as requested. He said he was sending these papers by air mail. (896.51/10-546)

<sup>89</sup> See telegram 349, September 13, p. 915.

<sup>90</sup> Latter not printed.

711.96/9-2446 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

CONFIDENTIAL

MANILA, September 24, 1946—11 a. m.

[Received September 24—6 a. m.]

436. Under Secretary Foreign Office informed Davis September 23 note in preparation accepting final draft treaty conciliation. Promised early favorable response arbitration and extradition treaties. Hoped for favorable response Consular convention within fortnight. Same regards income and inheritance tax agreements.

Reluctant discuss commercial treaty. Apparently awaiting first proclamation trade agreement.

McNUTT

811.24596/9-2546 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

RESTRICTED

MANILA, September 25, 1946—3 p. m.

US URGENT

[Received September 25—3:45 a. m.]

453. Inaccurate local press stories this morning report breaking off military base negotiations due impasse, allege no early resumption likely. Roxas will issue press release for tomorrow's papers stating negotiations suspended due pressure of essential domestic problems before special session but will resume immediately after session closes. We asking him include denial oft repeated press story Army seeking control entire Manila port area.

Since no agreement practicable for submission this session we will have to work out with Roxas *modus vivendi* until next regular session January or another special session for approval agreement. Will keep Department informed.

McNUTT

811.24596/9-2546 : Telegram

*The Acting Secretary of State to the Ambassador in the Philippines (McNutt)*

CONFIDENTIAL

WASHINGTON, September 27, 1946—2 p. m.

413. Urtel 376, Sept 16. 1. Roxas' decision not submit base agreement was disappointing State, War, Navy. Dept would appreciate your comment on Roxas' statement that he would not submit agree-

ment "because lack of time for adequate consideration and present unfavorable legislation situation". Dept would be especially interested your estimate objections and their merits which opponents of agreement would offer as reason to refuse approval. Have you any reason believe Roxas feels terms should be modified, and in what respect, in order to reduce opposition and make reasonably sure passage by Congress?

2. Dept also desires indication what Emb proposes include in *modus vivendi* (urtel 453, Sept 25). Dept after consultation War, Navy will give you further instructions following receipt information requested above.

CLAYTON

811.24596/9-3046 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

CONFIDENTIAL

MANILA, September 30, 1946—11 a. m.  
[Received September 30—3:05 a. m.]

475. Deptel 413, September 27. Fight for equal rights amendment was severest test to date Roxas' leadership requiring all his energy. To submit base agreement to 5-day special session crowded with essential domestic legislation (e.g. budget) would smack of coercion which he could ill afford so soon after equal rights battle. Only serious objections of merit remaining to be overcome are (1) to retention of McKinley-Nichols Field area and (2) US jurisdiction over temporary bases urban areas. As to (1), objection is to large installations near centers population, especially capital, fear increase this reservation or even retention existing boundaries will block natural growth Manila in desirable direction. I must admit considerable validity both counts but recognizing fiscal aspect abandonment Nichols investment and duplication elsewhere shall try secure agreement. Believe to promise whereby Army would exchange McKinley for another joint headquarters area possibly Bataan or neighborhood Statsenburg while retaining Nichols with addition to bay front would be acceptable.

As to (2), believe agreement likely on basis schedule priorities for abandonment specified temporary installations to be agreed upon with Roxas.

Roxas assured me he will resume discussions personally participating during latter part week beginning September 30.

2. For *modus vivendi* if another special session unfeasible, would suggest executive approval Army, Navy commence construction bases to which no Congressional objection anticipated.

MCNUTT



811.24596/10-846 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

MANILA, October 8, 1946.

[Received October 8—3:03 a. m.]

531. Following is text of Malacanan <sup>91</sup> press release issued Sunday night, October 6, on resumption of base negotiations:

“Malacanan announced today that conversations dealing with Philippine-American defense arrangements, including bases, are being renewed. Informal talks between Philippine and American officials were held over the weekend and others are scheduled during the coming week.

The conversations have entered a technical phase involving the solicitation of opinions and data from surveyors, land experts, and engineers, as well as from experts in strategy. As a result, formal meetings will be spasmodic and progress will probably be slow until all opinions and data are thoroughly canvassed and analyzed.

Upon the conclusion of these conversations, the formal discussions between the duly designated negotiators of the Philippine Government and of the United States Government will continue until a mutually satisfactory agreement is worked out for presentation to the top authorities in Washington and in Manila for approval, and, if approved, for signature. After signature, the defense accord will be submitted here for formal consideration by the appropriate legislative body, Malacanan said.”

McNUTT

811.24596/10-1546 : Telegram

*The Acting Secretary of State to the Ambassador in the Philippines (McNutt)*

TOP SECRET

WASHINGTON, October 15, 1946—3 p. m.

494. Dept having seen copy Warx 82865 authorizes you proceed basis outlined keeping constantly in mind State, War, Navy desire not impose conditions which Phil Congress cannot accept. Discussions War, Navy reveal desire retain only minimum essential supply peace-time garrison forces but what constitutes such minimum may well be subject further discussion along with question disposition in whole or part McKinley, PACUSA site A <sup>92</sup> Nichols Field, Engineer Island, Earnshaw docks and HIW urtel 519 Oct 7.<sup>93</sup> Efforts made persuade War reduce requirements these items and wide discretion has been given War Dept representative negotiations. It is hoped that this discretion will be exercised in a way that will soon produce agreement which Roxas can sign with assurance Congress will ratify action.

<sup>91</sup> Residence of the President.<sup>92</sup> Site “A” was adjacent to Nichols Field.<sup>93</sup> Not printed.

State, War, Navy agree not advisable transfer negotiations Washington this time. Possibility settlement basis herein described should be thoroughly explored. Suggestion in Warx 82865 that if minimum requirements not acceptable Dept will be requested press for acceptance by recourse to other Phil negotiations including loans is believed impractical and highly inadvisable. No approaches in this direction should be made without specific authorization from Dept. Your comments would be appreciated.

Warx 82865 is result of secretarial level discussion with War, Navy (urtel 569 Oct 15<sup>94</sup>). Substance urtel 519 brought attention Secys War and Navy some time ago.<sup>95</sup>

ACHESON

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896.6158/10-1846 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

URGENT

MANILA, October 18, 1946.

[Received October 18—3:10 a. m.]

601. Following is full text note from FonOff requesting review of prices in Philippine copra and coconut oil agreement:

"I have the honor to request on behalf of my government an immediate review of the price schedule fixed for the sale of copra and coconut oil to the Commodity Credit Corporation or its designees and consignees in the United States or other countries, as provided under the terms of the agreement entered into between my government and the Commodity Credit Corporation on the 8th day of August 1946.

I refer to paragraph 8 of said agreement which provides specifically for a renegotiation of prices upon the initiative of either government. It is implied therein that such renegotiation shall be undertaken whenever the world price situation or the United States price situation for copra and coconut oil or competitive fats and oils indicates inequality for Philippine producers arising from the fixed price schedule set forth in the basic agreement.

My government has received information that the United States has increased the previous price established for Argentine oils and

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<sup>94</sup> Not printed.

<sup>95</sup> At the meeting on October 2 of the three Departments, Secretary of the Navy Forrestal had expressed disappointment over lack of progress and had urged vigorous reminders that base negotiations were necessarily connected with proposed military assistance. At the meeting on October 9 the base question was discussed. Mr. Acheson inquired whether War and Navy Departments could re-examine their requirements with a view to dropping some requests for installations in and near Manila. It was agreed that experts of the three Departments endeavor to work out a rock-bottom position, taking especial account of Philippine sensibilities respecting facilities in the Manila area. On October 23 it was agreed to draw up instructions to negotiate on the basis of a relinquishment of some 3,000 acres in the Manila area during the next three years. (811.0011-Three Secretaries/1-2446)

seeds by more than 100 per cent, representing a level at least 50 per cent above the ceilings set for Philippine copra and coconut oil.

My government has been informed further that United States price ceilings on domestic corn oil, soy bean oil, peanut oil and cottonseed oil have been advanced by one and three-quarter cents per pound, effective October 1. These oils, of course, compete with Philippine coconut oil. My government therefore requests that discussions be immediately begun with a view to the maximum possible increase in the price for both copra and coconut oil, in order that our producers may not suffer as a result of the provisions of the above-mentioned agreement.

I should like to bring also to the attention of Your Excellency's Government that increases in price ceilings on a large variety of commodities in the United States have resulted in a corresponding increase in the prices of those commodities as purchased by our importers, with a corresponding increase in the weighted cost of living in the Philippines. It is therefore hoped that immediate steps will be taken so that the returns to our producers may be increased and thus prevent a recurrence of the situation that existed early this year when producers were not receiving enough for their copra, in terms of purchasing power, to enable them to market their produce. The main desire of my government is to have a price structure which will encourage maximum production for the mutual benefit, not only of our two countries, but also of the other consuming countries that obtain their supply of copra and coconut oil from the Philippines. My government has very much in mind the importance of preventing an inflation which would be disastrous to both producers and consumers, and the desirability of cooperation with the international agencies dealing with world food supplies for which reason my government agreed to enter into this exclusive purchase agreement."

Please pass copy this message immediately to Agriculture for CCC.

McNUTT

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896.01/10-2146

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

No. 258

MANILA, October 21, 1946.

[Received November 7.]

SIR: I have the honor to report that the text of Moscow's telegram No. 3816, of October 11,<sup>96</sup> was shown to President Roxas, an abbreviated version of which had already appeared in the Manila press. On October 21 President Roxas issued the following press statement in comment on the article from *Pravda*, quoted in the Department's telegram cited above:

"There has come to my attention an article from *Pravda*, the official organ of the Russian Communist Party in Moscow, depreciating our independence and charging that the Philippines are dominated by United States military and economic interests. A number

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<sup>96</sup> Not printed.



of other charges are also included in this rather lengthy dissertation on the Philippines, including many of the same irresponsible accusations which have been spread in uninformed circles in the United States by self-serving interests here. All these charges are falsehoods, not one of them having greater validity than the other. I am surprised that this great organ of the Russian Communist Party, with all its world concerns today, should devote so much space to our affairs, except, of course, I understand that by making remarks derogatory to the Philippines, this newspaper feels it is also placing the United States in some discredit.

"*Pravda* states, for instance, that after liberation the United States Government 'reinstated the collaborationists and destroyed the national liberation movement.' This meaningless statement is, of course, palpably untrue. I am accused of having pursued 'cruel persecution' of the 'partisan people's army.' It is alleged that American tanks were used to disperse 'united front meetings' and that American troops were used to determine the result of the presidential election.

"All these statements fall of their own weight. I merely cite them in order that the Filipino people may know the uses to which irresponsible political charges made here are put on the international front. I should also like the people of the world to know that we cherish our hard-won independence; that we will protect it with all the means at our command; and that we will resist any attempt by any nation to threaten or curtail that independence."

Respectfully submitted,

For the Ambassador:

JULIUS C. C. EDELSTEIN

*Acting Director of Information  
and Cultural Relations*

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[For Department of State press release of November 4 on agreement by Presidents Truman and Roxas to establish a joint American-Philippine Financial Commission to study the financial and budgetary problems and needs of the Philippines, see Department of State *Bulletin*, November 17, 1946, page 921.]

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811.24596/11-746 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

SECRET

US URGENT

MANILA, November 7, 1946—4 p. m.

[Received November 7—6:10 a. m.]

730. In order to counteract growing impression in articulate Philippine circles that US is demanding base rights and other special privileges here and that Philippine Government is yielding, although unwillingly, to US demands, I propose in Armistice Day speech at American Legion banquet to make declaration along following lines:

"The United States is devoted to principle of equality of rights among nations, the United States is devoted to peace, the United States

will not impose its will upon another nation, the United States will not ask concessions from a weaker power against the will of the people and government of that power. The United States and the Philippine Governments have entered into a solemn compact for the mutual defense of the Philippines believing such defense to be in the interest of both nations. Negotiations based upon this fundamental premise are in progress. The working out of the details of such an accord as to the location of bases and military installations is merely a matter of arriving at a fair, practical and strategically sound program. That is a mechanical problem the solution of which is assured in advance on the basis of mutual deliberations in good faith. I am sure such a solution will be found. However, if the Philippine Government and the Filipino people should at this point decide that the presence of American troops on this soil is so onerous as to outweigh the benefits to this country in the form of surety and other advantages, I am sure the United States Government will be willing to reconsider its commitments and to withdraw from the discussions now in progress. If such a proposal were made, I would urge my government and my country to withdraw its troops from the Philippines. I would, against my better judgment but in deference to my affection for the Filipino people and my primary devotion to Philippine-American relations, urge my government to accept the proposition that the Filipino people have decided to discard the protection of American arms and power and to do without the security afforded by the United States. It is certainly within the prerogatives of the Philippines as a sovereign and independent nation to take this stand. I think that it would be most disastrous from the viewpoint of the Philippines. I do not pretend that American interests would best be served in this manner, but the United States cannot afford to be challenged on the basis of its immutable principles without accepting that challenge. The United States will abide by those principles. The Filipino people must announce their position."

It is my belief that a statement similar to the above will tend to strengthen Roxas' hand in controlling members of his own administration who are privately sabotaging his foreign policy, who are furnishing ammunition for the attack on the base program. It will place the burden and the responsibility on the Philippine Government rather than on the US. It will force all groups in the administration to support Roxas' program or run the risk of being labelled as anti-administration. I have discussed this matter privately with President Roxas and he agrees with this approach. The Department's early comment will be appreciated.<sup>97</sup>

McNUTT

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<sup>97</sup> In reply, telegram 636, November 8, noon, to Manila, stated that "consensus is that your proposed declaration is inadvisable at this time and that public reference to 'a solemn compact for the mutual defense of the Philippines' would be impolitic in any foreseeable circumstances"; this was the result of most careful consideration at highest levels of the State, War, and Navy Departments (811.24596/11-746).

811.24596/11-1046 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

SECRET

MANILA, November 10, 1946—a. m.  
[Received November 10—12:16 a. m.]

749. I find it extremely difficult to reconcile Department's telegram 636, November 8,<sup>98</sup> with the preamble to Department's original draft of proposed military base agreement and am at a loss how to explain apparent inconsistency to Philippine Government. Resolutions of Congress both countries referred to in preamble specifically and whole history of military cooperation generally, presence armed forces on Philippine soil and widely known fact that base agreement is being negotiated would seem clearest possible proof of "solemn compact for mutual defense". If this is not the settled policy of the US, what can I tell Philippine Government?

Roxas has frequently referred publicly to existence mutual defense pact and this is basis on which he expects to obtain approval Philippine Senate and people. If our view otherwise, he should be advised immediately.<sup>99</sup>

McNUTT

896.24/9-1346

*The Acting Secretary of State to the Secretary of the Treasury (Snyder)*

WASHINGTON, November 12, 1946.

MY DEAR MR. SECRETARY: With reference to your letter of September 13<sup>1</sup> concerning the surplus property agreement recently negotiated by Mr. McCabe with the Philippine Government, your understanding that its provisions release this government of all obligation for redemption of the emergency and guerilla currency supplied to our armed forces during the war by the Philippine Government is correct. As you know, this problem is practically impossible to state in correct quantitative terms since there are no adequate records of the various currency issues.

<sup>98</sup> See footnote 97, p. 925.

<sup>99</sup> In telegram 663, November 13, 6 p. m., to Manila, the Department replied that the U.S. Government did not wish to refer publicly to "solemn compact" unless and until the base agreement were concluded. It added: "Interim arrangement (Osmeña agreement) has all elements contemplated in final agreement but felt here reference to 'solemn compact' would bring demands for details and pressure to make public Osmeña agreement." (811.24596/11-1046) At a meeting of the three Secretaries on November 13, Secretary of War Patterson expressed impatience with the Philippine attitude and said the need for bases and forces in the Philippines was being re-examined. (811.0011 Three Secretaries/1-2446)

<sup>1</sup> Not printed.



The contract specifically provides that in consideration of the payment of \$25 million to the Philippine Government for redemption of guerilla and emergency currency, and other obligations, and the transfer of \$37 million at fair value of other surplus property, in addition to the \$100 million of surplus transfer under the Philippine Rehabilitation Act, the Philippine Government "releases and acquits the United States Government of the unpaid balance of the financial obligations and responsibilities aforesaid, and shall forever indemnify and hold the United States harmless from all claims and demands of every nature arising therefrom by any person or persons whomsoever".

President Roxas, in his message to the Philippine Congress of September 12, 1946, stated his agreed intention to avoid the windfall gains as follows: "I feel that we should do all that is possible to redeem guerilla currency as speedily as we can, but we must and will take the proper precautions to keep profits and unconscionable gains out of the hands of speculators, hoarders and others who would make profits out of patriotism."

It was agreed by President Roxas that, since there was no proper record and in the nature of things could not be for years to come, the Philippine Government could "effect a more sympathetic and intelligent redemption of guerilla currency by its own efforts . . ." <sup>2</sup> than could United States agencies.

Ambassador McNutt and the then Foreign Liquidation Commissioner McCabe were agreed with President Roxas on the desirability of the settlement of this government's obligations in this manner and President Roxas on his part apparently felt that the method adopted was most expeditious and best suited to this transaction between the two governments.

Sincerely yours,

DEAN ACHESON

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896.6132/11-1246 : Telegram

*The Acting Secretary of State to the Ambassador in the Philippines (McNutt)*

WASHINGTON, November 13, 1946.

661. In order to permit full establishment free market which both govts desire USGovt withdraws request for PhilGovt export control and Dept authorizes you to inform Phil Govt that USGovt agrees outright cancellation abaca agreement. Urtel 753, Nov. 12.<sup>3</sup>

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<sup>2</sup> Omission indicated in the original letter.

<sup>3</sup> Not printed; it dealt with Philippine desire for cancellation of the abaca fiber agreement of August 8, 1946. The question of cancellation of this agreement came up as a result of the Philippine note quoted in telegram 601, October 18, from Manila, p. 922, regarding the copra and coconut oil agreement of August 8.

RFC will cable Anderson regarding details of settlement unpaid balance two million dollar advance.

Dept appreciates manner in which Emb has handled these difficult negotiations. Announcement cancellation and elimination US import restrictions will be made here for Monday morning <sup>4</sup> 7 a. m. publication. Reply urgently if simultaneous announcement not possible there.<sup>5</sup>

ACHESON

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[For Department of State press release on United States participation in a Philippine training program, under provisions of the Philippine Rehabilitation Act of April 30, 1946, and for statement by the Acting Secretary of State, November 14, see Department of State *Bulletin*, November 24, 1946, pages 964-965.]

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896.51/11-1546 : Telegram

*The Acting Secretary of State to the Ambassador in the Philippines (McNutt)*

CONFIDENTIAL

WASHINGTON, November 15, 1946—8 p. m.

US URGENT

679. For McNutt. Re presentation to Phil Emb of draft agreement for loan transmitted by previous cable,<sup>6</sup> Gamboa <sup>7</sup> and Baretto expressed disappointment stating they had hoped for long term loan and accrual of interest payments until 1950. It was explained to them that draft agreement was based upon recommendations by National Advisory Council after careful consideration.

Dept recognizes Phil Govt will probably share views expressed by Gamboa and Baretto and question possibility of repayment at maturity. Suggest that in discussion with Roxas you can point out that this problem will undoubtedly be evaluated by Phil Amer Fin Comm and that its recommendations should assist in solving it. Request that any publicity regarding this loan be in form of joint press release.

With respect to mechanics of concluding Agreement and making funds available, RFC states that it will accept signature of the Agreement and the promissory notes by any official or officials of the Philip-

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<sup>4</sup> November 18.

<sup>6</sup> The Philippine Foreign Office in a note of November 16 agreed to the announcement on November 18 (896.6132/11-1646).

Telegram 831, November 26, from Manila, reported a letter of appreciation from the Philippine Foreign Office for U. S. willingness to cancel the abaca fiber agreement and also the copra and coconut oil agreement (611.9631/11-2646). On December 6 the Department of Agriculture issued a press release regarding the cancellation of the agreement on copra and coconut oil (896.6158/11-546).

<sup>6</sup> Telegram 673, November 15, to Manila, not printed.

<sup>7</sup> Melquiades J. Gamboa, First Secretary of the Philippine Embassy.

pine Embassy, provided that RFC receives by cable through the Dept the exact text of a document, signed by the chief legal officer of the Philippine Republic (understood to be the Solicitor-General), and transmitted to you under covering note by the Secretary of Foreign Affairs, stating that Agreement and notes when signed by specified official or officials will be fully binding upon Phil Govt. Signature of Solicitor-General should be authenticated by Secretary of Foreign Affairs, and latter's signature and seal should be authenticated by an American Consular officer. The original of the document should be forwarded to Dept by air-pouch, so that photostatic copy can be supplied RFC for its files. Authentication of specimen signatures mentioned in Article VIII(a) can be handled by Dept here.

ACHESON

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711.9627/11-1646: Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

MANILA, November 16, 1946.

[Received November 16—1:30 a. m.]

779. 1. Air agreement signed today by Quirino<sup>8</sup> and McNutt at 10:30 a. m. Text follows air pouch.<sup>9</sup>

2. Coincident with signing the Embassy delivered following note:

"I have the honor to refer to your note of November 3, 1946 with reference to the interpretation of certain sections of the Bi-lateral Air Transport Agreement signed today between the United States of America and the Republic of the Philippines.

With reference to the last sentence of article V, careful note has been taken of that part of your communication which reads as follows: ['my government, therefore, understands that the Government of the United States will not refuse to recognize a Philippine certificate of competency or license issued to an American national unless it will have reason to believe that such certificate or license had been procured by fraud or concealment of a material fact such as the revocation of a United States pilot's license previously issued to him or conviction on charges of serious violations of laws and regulations.[']

I have the honor to state in this connection that the understanding expressed by Your Excellency is in accord with the interpretation placed by the Government of the United States of America on the article in question.

With reference to the last sentence of annex B which contains the route description for airlines of the Republic of the Philippines, I am authorized by my government to assure you that the language of the description of the route authorized for airlines of the Republic

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<sup>8</sup> Elpidio Quirino, Vice President of the Philippines and concurrently Secretary of Foreign Affairs.

<sup>9</sup> For text, see 61 Stat. (pt. 3) 2479; for substance, see Department of State Bulletin, December 1, 1946, p. 1021.



of the Philippines will not result in insistence by my government on any route which might prove operationally unfeasible. I am authorized to add that airlines of the Republic of the Philippines could, for instance, should they so desire, fly on the same route between Manila and San Francisco as that presently followed by aircraft operated by Pan American Airways.

Accept, Excellency, etc.[""]

3. This was in reply to Foreign Office note dated November 9 textually as follows:

"I have the honor to propose further clarification of the position of my government with respect to the meaning of certain provisions in the proposed Air Transport Agreement between the Government of the United States and the Republic of the Philippines. I refer to the (1) last sentence of article V and (2) last sentence of paragraph (b) of the annex.

Airlines of the Philippines are pursuing a vigorous policy of establishing routes and services and in this they have the full support of their government. Because of the strategic position of the Philippines in relation to international air traffic, this government looks forward to an era of great development and prosperity for airlines owned and operated by Filipinos. Unfortunately at the present time there is a shortage of trained and experienced pilots of Philippine nationality. While this deficiency is being overcome, it will probably be some time before qualified personnel of Philippine nationality will be available to man all airplanes operating on national and international routes under Philippine registry.

In view thereof, my government will sign the aforementioned agreement with the understanding that the last sentence of article V would not be interpreted or used to prevent the employment of pilots of American nationality, holders of Philippine licenses, from piloting airplanes of Philippine registry on the route described in the annex of the agreement. It is the understanding of my government that the reservation of the right to refuse to recognize certificates of competence and licenses granted to nationals of one of the contracting parties by another state is to prevent abuse by pilots, nationals of either contracting party, of the spirit of reciprocity and fair play which underlies the agreement and its annexes. My government, therefore, understands that the Government of the United States will not refuse to recognize a Philippine certificate of competency or license issued to an American national unless it will have reason to believe that such certificate or license had been procured by fraud or concealment of a material fact such as the revocation of a United States pilot's license previously issued to him or conviction on charges of serious violations of laws and regulations.

In view of the spirit of reciprocity and the desire of both contracting parties to prevent discriminatory practices and assure equality of treatment as much as possible, which pervades the entire agreement, it is the understanding of my government that under the last sentence of paragraph (b) of the annex, any right to travel on any

route granted to the Pan American World Airways or any other commercial airlines of the United States is also deemed granted to authorized commercial airlines of the Philippines.

It is the hope of my government that your esteemed government is of the same view, for which reason your confirmation thereof will be highly appreciated.

Accept, Excellency, etc."

4. Embassy's note based on Deptel 485, October 11, and 624, November 6.<sup>10</sup>

Please pass to War for info MID.

McNUTT

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711.96/11-1646 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

MANILA, November 16, 1946.

[Received November 16—12:30 a. m.]

780. Treaty of Conciliation signed today by Quirino and McNutt at 10:30 a. m. Philippine note delivered last night reciting possible difficulties financial and other constituting international commission within 6-month period specified in article II and stating: "My Government will sign on the understanding above provision not mandatory and notwithstanding 6 months indicated the commission may be constituted at a later date that may be agreed upon by contracting parties."

As ceremonial signing had been arranged for this morning and to avoid further delay we replied pertinent portion of note reading: "In reply I am happy to state that while my Government looks forward to the earliest practicable constitution of the international commission it recognizes the validity of the reasons which may impell your government to suggest postponement of the date beyond the 6 months' period foreseen in the treaty. My Government will be prepared sympathetically to receive a possible request from your government for such postponement, and to take such action as may be mutually agreeable to the two governments."

Full text follows by air pouch.<sup>11</sup>

Please pass to War for info MID.

McNUTT

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<sup>10</sup> Neither printed.

<sup>11</sup> For President Truman's transmittal to the U. S. Senate on January 31, 1947, and the Secretary of State's report of January 29, 1947, see Department of State *Bulletin*, February 9, 1947, p. 254.

811.24596/11-1946

*Memorandum of Conversation, by the Acting Chief of the Division of  
Philippine Affairs (Ely)*

SECRET

[WASHINGTON,] November 19, 1946.

Ambassador Elizalde first brought up the matter of the appointment of the American members of the proposed Philippine-American Financial Commission and indicated that the Philippine Government was disappointed that this matter had been so long delayed. He stated that many matters in which the Philippines were interested were being held up because the answer at every turn was that the report of the Financial Commission would have to be awaited.

He then brought up the question of the base agreement and pointed out how difficult this matter was for President Roxas from a political standpoint. He remarked that the Filipinos were going to have to vote on the equal rights amendment in March and that coupled with what in Philippine eyes looked to be excessive demands for military bases constituted a problem which Roxas found very difficult to explain to his people. He stressed the fact that the base agreement had to be approved by two-thirds of *both* Houses and that elements which he branded communistic were playing up our requests as evidence of our desire to control the Philippines. The Ambassador complained that the Army was not able to understand the Philippine viewpoint and that their representatives had no leeway in their instructions.

The Ambassador then asked Mr. Acheson to read a long letter of instructions addressed to the Ambassador by President Roxas on the question. This letter reiterated the statements of the Ambassador and made two points from which it seems probable that President Roxas cannot be persuaded to move. Those are: (1) his insistence that he cannot agree to military bases in metropolitan areas, and (2) the position which the Philippine Government will take on the matter of jurisdiction over military personnel. President Roxas takes the position that the military authorities should have jurisdiction over offenses committed on bases by military personnel but sole jurisdiction off the bases would rest with the Philippine Government irrespective of persons involved.

Mr. Acheson read President Roxas' letter very carefully and assured Ambassador Elizalde that the Department was quite aware of the problems which President Roxas faced and that these questions would be taken up as soon as Ambassador McNutt returned.<sup>12</sup>

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<sup>12</sup> In telegram 791, November 18, 4 p. m., from Manila, Mr. McNutt had reported as follows: "In order to allay speculations and political controversy, especially over bases, Embassy is announcing McNutt returning on personal mission during course of which he will consult with Department on pending matters." (811.24596/11-1846)



896.51/11-2646 : Telegram

*The Acting Secretary of State to the Chargé in the Philippines  
(Davis)*

RESTRICTED

WASHINGTON, November 26, 1946—7 p. m.

730. From McNutt. Release following press release for Sunday morning newspapers December 1 (Manila time). Will be simultaneously released here.

"Negotiations looking to the conclusion of a convention with the Government of the Philippines relating to income and estate taxes of the two countries are expected to open at Manila early in January.

Prior to that time the delegation of technical experts which will assist Ambassador Paul V. McNutt in the negotiations would be glad to confer with interested parties or to receive statements and suggestions from them concerning problems in tax relations with the Philippines. Communications in this connection should be addressed to Mr. Eldon P. King, Special Deputy Commissioner, Bureau of Internal Revenue, Washington 25, D.C."

ACHESON

811.24596/11-2746 : Telegram

*The Chargé in the Philippines (Davis) to the Secretary of State*

RESTRICTED

MANILA, November 27, 1946—11 a. m.

[Received November 27—2:35 a. m.]

846. For McNutt. Foreign Office drafting note with Roxas' approval proposing adoption Article 13 current draft base agreement as modus vivendi pending completion agreement. This would be in lieu of Executive Order 151 which Roxas says increasingly embarrassing to explain to local authorities. One advantage to us in this proposal would be recognition temporary installations as "bases". Disadvantages are (1) immediate disputes that would arise as to interpretation "engaged in actual performance of military duty"; (2) a further concession to Philippine agitation without adequate *quid pro quo*, thus tending weaken their desire early settlement.<sup>13</sup>

Am sending this immediately to reach you before return without time for full discussion Moore and Good. In brief after-dinner conversation with Christiansen<sup>14</sup> he emphasized question military duty.

DAVIS

<sup>13</sup> Manila's telegram 878, December 5, 10 a. m., reported receipt of the Foreign Office note, and telegram 900, December 7, noon, reported the reply to it. The Philippines were anxious to replace Executive Order 151 with a modus vivendi pending an agreement on bases. Mr. Davis suggested that a prompt base agreement would obviate the need for a modus vivendi. (811.24596/12-546, 12-746)

<sup>14</sup> Maj. Gen. James G. Christiansen, War Department negotiator in regard to Philippine bases.

811.24596/11-2946

*The Secretary of War (Patterson) to the Secretary of State*

TOP SECRET

WASHINGTON, November 29, 1946.

DEAR MR. SECRETARY: The Chief of Staff<sup>15</sup> has pointed out in a memorandum to the Joint Chiefs of Staff, copy attached,<sup>16</sup> that the problems presented in connection with negotiations for a base agreement with the Philippine Government have resulted in a reconsideration of the strategic and political importance of Army bases in the Philippines. He proposes that all U.S. Army forces be withdrawn from the Philippines, with the alternative proposal that all except a small force be withdrawn in case the Philippine Government and the State Department desire to have some U.S. Army forces retained in the Philippines. I agree in his conclusions and in the action which he recommends.

You will note that General Eisenhower has recognized that the military importance of the Philippines is of lesser weight in our national interest than the future good relations of the two nations and that long term continuance of Army forces in the Philippines would be of little value unless their retention was the result of an expressed desire of the Philippine Government.

In addition to the considerations mentioned by the Chief of Staff I wish to point out that the insistence of the Philippine Government that all U.S. forces be removed from the Manila area, an insistence that is quite understandable in view of the independent status of the Philippines, will require the construction of expensive facilities elsewhere at great expense, if large U.S. forces are to be maintained in the Philippines. Such an expenditure would be one that the War Department could ill afford at this time or in the future.

I also point out that it is of prime importance that the War Department responsibilities should not be greater than our means in manpower and money. Our commitments in occupied areas, Japan and Germany, to say nothing of Korea, Austria and Italy, are of a character that will take practically all of our resources at present and for the foreseeable future. These commitments are of predominant importance. We cannot afford, in my opinion, to waste our strength by maintenance of a force of any considerable size in the Philippines.

As to Naval bases, Fleet Admiral Nimitz has written a memorandum, and a copy of it is enclosed.<sup>17</sup>

It is desirable that orderly and timely preparations be made to carry out whatever action is decided on. Hence it is requested that

<sup>15</sup> General of the Army Dwight D. Eisenhower.

<sup>16</sup> J.C.S. 1027/8, November 23, not printed.

<sup>17</sup> Not printed. In discussing the needs of the Navy for bases, Fleet Adm. Chester W. Nimitz, Chief of Naval Operations, noted that they had been so reduced as to eliminate any necessity for stationing Army troops in the Philippines to defend naval facilities.

you inform the War Department, as early as practicable, whether we may plan upon the complete withdrawal of Army forces, or whether it is desired that a token Army force of the order indicated be retained in the Philippine Islands.

It is appreciated that the views set forth by the Chief of Staff have an important bearing on the consummation of the agreement for bases. The Chief of Staff and I will be glad to discuss this phase of the matter with you at your convenience.

Sincerely yours,

ROBERT P. PATTERSON

811.24596/12-446

*Memorandum by the Secretary of State to the Acting Secretary of State*

TOP SECRET

[NEW YORK?] December 1, 1946.

With reference to the attached,<sup>18</sup> I agree with the recommendation of the Chief of Staff General Eisenhower, contained in paragraph 5, that we proceed to withdraw all army forces from the Philippines.

If the Philippine Government urges that a force be permitted to remain for a short period, I would recommend that the request be granted and a limited force be retained with the understanding it will gradually be reduced and then withdrawn.<sup>19</sup>

J[AMES] F. B[YRNES]

611.9631/12-1046

*Memorandum of Conversation, by Mr. Ellsworth C. Carlson, of the Division of Commercial Policy*

CONFIDENTIAL

[WASHINGTON,] December 10, 1946.

Participants: Ambassador McNutt

Messrs Gay, CP; Setser, CP; Carlson, CP

Mr. Ely, PI

Mr. McNutt said that negotiation of the treaty of friendship, commerce, and navigation would have to come after the March 11 plebiscite on the constitutional amendment required in the Trade Agreement. The two instruments were closely related. Because of the reference to the Trade Agreement in the Protocol of the Treaty, negotiation of the latter could not precede final settlement of Trade Agreement questions. Mr. McNutt did not think that any difficulties

<sup>18</sup> See letter from the Secretary of War, November 29, *supra*.

<sup>19</sup> At the direction of the Secretaries of State, War, and Navy on December 4, the Acting Secretary of State on that day obtained President Truman's approval of the recommendation that the United States withdraw its Army forces from the Philippines (811.24596/12-446).



would be encountered in the treaty negotiations; the Philippines would probably accept the treaty in the form in which it was presented by the United States Government.

He said that the Department could proceed on the assumption that the constitutional amendment would be approved by the plebiscite. President Roxas had predicted that 11½ million votes would be cast, of which about one million would be in favor of the amendment. Mr. McNutt expressed the view that the United States President would not be obligated to terminate the Trade Agreement if the amendment was rejected.

Mr. McNutt implied that the provision of the Trade Agreement giving the President of the United States the right to terminate the Agreement if American citizens or business enterprises were in any manner discriminated against (paragraph 4 of Article X of the Agreement; Sections 404 and 501 of the Philippine Trade Act) should not be used to force the Philippines to grant American citizens and business organizations *national* treatment. He said that nationalistic measures which had been introduced in the Philippine Congress were directed at the Chinese rather than at Americans. President Roxas was taking a strong stand against such measures; so long as Mr. Roxas was President, nationalistic measures would not be adopted.

Mr. McNutt praised the statesmanship of President Roxas. He predicted that Mr. Roxas would be President for eight years (two terms). Under the leadership of President Roxas, the Philippines had thrown its lot with the United States.

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811.24596/12-1346

*The Secretary of State to the Ambassador to the Philippines  
(McNutt), Temporarily in Washington*

TOP SECRET  
No. 146

WASHINGTON, December 13, 1946.

SIR: There is enclosed a copy of SWNCC 340/1<sup>20</sup> concerning this Government's decision to effect a substantial withdrawal of United States armed forces from the Philippines. SWNCC 340/1 was approved informally by the State-War-Navy Coordinating Committee on December 12, 1946.

In accordance with recommendation 5b of this document, you are requested to present to the Government of the Republic of the Philippines on behalf of this Government, as a basis for negotiations between the two Governments, the draft agreement concerning military bases which constitutes Appendix "C" of the document in question. It is understood of course that the negotiations with regard to this draft

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<sup>20</sup> Not printed; it was dated December 11.

agreement will be on an *ad referendum* basis. Authorization for you to sign the agreement on behalf of this Government will be sent to you subsequently, when the progress of the negotiations indicates that a mutually acceptable conclusion will be reached.

Very truly yours,

For the Secretary of State:

JOHN H. HILLDRING

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611.9631/12-1446

*The Acting Secretary of State to President Truman*

WASHINGTON, December 14, 1946.

MY DEAR MR. PRESIDENT: Enclosed are two draft proclamations relating to the agreement on trade between the United States and the Philippines signed on July 4, 1946 <sup>21</sup> pursuant to the Philippine Trade Act of 1946 (Public Law 371, 79th Congress). The longer draft would proclaim this agreement and notes exchanged on October 22, 1946 making clarifying amendments thereto, and the shorter one would announce the date of entry into force of the agreement. The Philippine Trade Act of 1946, which lays down in great detail the provisions that shall be included in the agreement which the President is authorized to conclude thereunder, provides for eight years of free trade followed by twenty years of declining preferences, as well as for quotas on imports of certain Philippine articles and for several other matters affecting trade between the two countries.

The Act also specifies that, in the agreement authorized, the Philippines shall undertake promptly to amend their constitution to permit American citizens and enterprises to engage in certain activities, such as mining and public utilities reserved therein for Philippine citizens, and that the agreement shall be suspended or terminated if the President of the United States determines that such amendments have not been made within a reasonable time or that the Philippines are in any manner discriminating against American citizens or enterprises. These provisions have been embodied in the agreement. Upon termination of the agreement most of the provisions of our law giving trade preferences to the Philippines will terminate under the Act.

Moreover, the Act makes acceptance of the agreement by the Congress of the Philippines and enactment of legislation to carry it out a condition precedent to its entry into force. You will recall that, to avoid possible political complications in the Philippines, it was decided in telephone conversations between Washington and Manila that the Philippine Congress might, prior to July 4, enact the legislation required by the Philippine Trade Act of 1946. Thus the Philippine Commonwealth Act No. 733, approved by the President

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<sup>21</sup> Enclosures not printed. For summary of action on trade agreement, see bracketed note, p. 897.

of the Philippine Commonwealth on July 3, 1946, stated that a draft agreement quoted therein, which had not yet been signed, was accepted, and also contained provisions enacting the requisite legislation. Because it had been telegraphed to Manila, the text that was so accepted, and subsequently signed on July 4, contained a number of divergencies from the requirements of our Act, a few of which were somewhat misleading. The more important errors have been corrected in the exchange of notes of October 22 which is included in the enclosed proclamation containing the text of the agreement of July 4.

Enactment of the Philippine legislation prior to independence, and reluctance on account of the political situation in the Philippines to submit the amendatory exchange of notes also to the Philippine Congress for acceptance, have raised some legal questions which are outlined in the attached memorandum. These questions have warranted careful consideration on legal grounds, especially because of the likelihood that the agreement may be attacked on the basis of its legality. Although the Philippine Trade Act of 1946 itself contains provisions to carry out the agreement, pressures are almost sure to be exerted during the next twenty-eight years upon Congress to terminate the trade preferences accorded to the Philippines by the agreement. The possibility that future Congresses would give way to such pressures, and enact legislation contrary to the undertakings of this Government in the agreement, will be enhanced considerably if a basis could be found for attacking the validity of the agreement or alleging that it was not concluded in accordance with the Congressional intent embodied in the Philippine Trade Act of 1946. Moreover, that Act authorizes the imposition by the President of the United States of new quotas on the importation of Philippine articles after the agreement has entered into force. Should any such quotas be imposed, importers could easily question in the courts the validity of the quotas on the ground that the agreement had not been properly brought into force.

These legal questions have been considered by this Department and, for the reasons indicated in the memorandum, are not believed to justify further delaying proclamation of the agreement. However, should you care to go into them further, or to obtain an opinion of the Attorney General with regard to any of them, this Department would be glad to furnish further details as to the matters involved.

The legislation to provide for a plebiscite on the amendments to the Philippine constitution required by the agreement has passed the Philippine Congress by a narrow margin and the amendments will be submitted to popular vote in the spring. Meanwhile, the failure of this Government to proclaim the agreement has been interpreted by the opposition to the Philippine President as an indication that the



United States does not desire to bring it into force. Consequently, unless you wish to investigate the legal questions further, it is recommended that the longer proclamation, containing the text of the agreement, should be issued promptly. If you care to sign the shorter proclamation at the same time, and return it to this Department without dating it, the dates could be added and the proclamation sealed after the Philippine President has proclaimed the agreement.

This Department is planning to release to the press the text of the proclamation including the agreement and the notes when it is signed.

Faithfully yours,

DEAN ACHESON

811.24596/12-1846 : Telegram

*The Secretary of State to the Ambassador in the Philippines  
(McNutt)*

TOP SECRET

WASHINGTON, December 18, 1946—4 p. m.

867. War has temporarily suspended construction contracts Phils. Heavy expense involved such suspensions which cannot be maintained this status indefinitely. As decision on resumption all or part depends on request PhilGovt re continuation American forces War requests you be apprised urgency early decision this point.

If decision this point not promptly made will be necessary cancel contracts.

BYRNES

811.24596/12-2346 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary  
of State*

TOP SECRET

MANILA, December 23, 1946—4 p. m.  
[Received December 23—3 : 50 a. m.]

994. Deptel 867, December 19[18]. Roxas informed me verbally (a) Philippine Government does desire maintenance of US military bases in the Philippines and (b) Philippine Government does desire retention of such US troops as may be required for bases. He regards joint resolution No. 4 of the Congress of the Philippines approved July 28, 1945 as going even beyond "request Philippine Government regarding continuation American forces". Resolution was adopted unanimously by Commonwealth Congress and signed by President Osmeña. Policy adhered to by present Congress and administration. He regards this as not "request" of any administration but mandate and settled policy Philippine people. Also points to his many public statements as confirmation continuing desire his Government for bases.

Joint resolution No. 4 after citing joint resolution US Congress approved June 29, 1944 states "the President of the Philippines is

authorized to negotiate with the President of the US the establishment of the aforesaid bases so as to insure the territorial integrity of the Philippines, the mutual protection of the Philippines and the US and the maintenance of peace in the Pacific."

Roxas also cites preamble to draft base agreement already tentatively accepted by both governments.

In view foregoing, recommend contracts relating to bases revised Annex A handed me in Washington not be cancelled.

Roxas asked Embassy for information nature contracts referred to. He hopes contracts to be continued will not include those for work in Manila area or other sites to be abandoned.<sup>22</sup>

McNUTT

896.51/12-2646 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

RESTRICTED

MANILA, December 26, 1946—5 p. m.

[Received December 26—4 a. m.]

1003. Roxas and I consider it important that explanatory statement be issued coincident with signature RFC loan. Roxas has approved text previously approved by President textually and by RFC officials in principle. Copy understood to be in custody Acting Chief PI. While statement was drafted with view release by RFC suggest it would be more effective if released by State simultaneously here by Embassy. Please instruct soonest.

McNUTT

811.24596/12-2746

*The Secretary of War (Patterson) to the Secretary of State*

TOP SECRET

WASHINGTON, 27 December 1946.

DEAR MR. SECRETARY: As a result of the President's approval of the Acting Secretary of State's memorandum <sup>23</sup> contained in SWNCC 340/1 recommending withdrawal of United States military forces from the Philippines, all permanent construction on Philippine bases has been suspended.

Contracts totaling approximately \$42,000,000 covered by Fiscal Year 1946 appropriations are now in force. The present suspension of construction is resulting in a loss to the United States Government

<sup>22</sup> In telegram 901, December 27, noon, to Manila, Mr. McNutt was informed that "Matter referred President Dec. 24 . . . with recommendation statements contained urtel 994 Dec. 23 be regarded satisfactory indication wishes Phil. Govt. Decision will be cabled." (811.24596/12-2646)

<sup>23</sup> See footnote 19, p. 935.

exceeding \$15,000 per day, the cost of maintaining the engineering and construction force mobilized for this work, without any tangible benefit accruing in the form of construction accomplished.

Termination of the contracts at this time would result in loss to the United States Government of nearly five million dollars, representing non-recoverable overhead and contractors' costs, and the unexpended balance of the Fiscal Year 1946 funds would revert to the Treasury, constituting a serious loss to the War Department. In this connection, I feel that an additional appropriation of funds at a later date, to replace these funds which would revert to the Treasury, would be difficult to obtain in the face of prospective forced economies within the Government.

Under these circumstances, the non-productive cost accumulating daily under the present suspension must be balanced in our consideration against the high costs of termination of present contracts and later entering into new contracts should a decision be made to retain a permanent token force in the Philippines.

Because of the belief of Ambassador McNutt and representatives of your department that the Philippine Government will make a strong request for the continuance of an Army token force in the Philippines under the revised draft base agreement, I am reluctant to terminate the contracts. However, faced with this mounting cost of suspension I feel that unless the request is forthcoming and approved by the President within the next 30 days, consideration must be given to termination of the contracts. I point this out to indicate our difficult position in this regard, and the urgency of arriving at a final decision.

Sincerely yours,

ROBERT P. PATTERSON

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896.51/12-2846 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary of State*

RESTRICTED

MANILA, December 28, 1946—midnight.

[Received December 28—1:56 a. m.]

1014. In reply to inquiry from Elizalde regarding loan, Roxas advised him that if assurances were received by Embassy here, in accordance with Embtel 1003, December 26, State Dept would issue announcement assuring of transiency of 25 million dollar loan terms, such terms would be acceptable to him and he would wire instructions. Roxas is extremely anxious to obtain this loan which he says is necessary for payment of salaries next month.

MCNUTT



896.51/12-2646 : Telegram

*The Secretary of State to the Ambassador in the Philippines  
(McNutt)*

WASHINGTON, December 30, 1946.

914. Embtel 1003 Dec 26. Dept not familiar with text of explanatory statement referred to. Only statement here is press release drafted but not released by RFC at time draft loan agreement presented to Gamboa and Baretto Phil Embassy. Text of this statement follows:

"The Reconstruction Finance Corporation today announced that it had approved a \$25 million loan to the Republic of the Philippines. The loan is a part of a credit of \$75 million which the Reconstruction Finance Corporation was authorized by Congress by the Act of August 7, 1946 to extend to the Philippine Government to aid the new Republic during the current period of adjustment to its new status as an independent nation. As a result of the war the Philippines suffered widespread property damage and great dislocation of their economy so that its current tax revenues have been adversely affected while its financial needs have been greatly increased. The loan will mature June 30, 1950 and there is an interest rate of 2 percent per annum. The amount to be loaned at this time as well as the terms and conditions of the loan were determined in accordance with recommendations of the National Advisory Council on International Monetary and Financial Problems."

Dept and RFC see no objection release this statement simultaneously here and Manila coincident with signature RFC loan agreement. Advise Dept when signature will take place.

BYRNES

896.51/12-3146 : Telegram

*The Ambassador in the Philippines (McNutt) to the Secretary  
of State*

URGENT

MANILA, December 31, 1946.

[Received December 30—11:50 p. m.]

1017. Department's telegram 914, December 30.

1. Statement referred to Embassy's telegram 1003 textually as follows:

"In making this loan to the Philippine Government in accordance with the directive of Congress, the RFC, the State Department, and the President are all cognizant of the emergency nature of the loan, designed to meet immediate fiscal needs of the Philippine Government. The Philippine Government and the Filipino people may be assured that the terms of this loan do not represent the definitive requirements of the US Government in connection with this loan, but are merely the conventional provisions of an ordinary loan transaction. These

terms have no specific application to the peculiar Philippine situation, but officials of the RFC felt that it would be inexpedient and time-consuming to attempt to undertake to write a loan contract exactly geared to the particular and specific purposes of this loan and the peculiar framework of Philippine-American relations. The definition of these particular conditions is part of the work which has been assigned to the Joint Philippine-American Financial Commission which will shortly depart for the Philippines to make an overall study of financial and budgetary problems in the Philippines, in accordance with the agreement reached between President Truman and President Roxas. It is the purpose of the US Government to ascertain in consultation and cooperation with Philippine officials the exact fiscal prospects of the new Philippine Government and the exact needs of that government over the next few years. It is believed that it will be necessary for the Joint Commission to consider a loan or series of loans to meet these needs. The terms of such a loan or loans will be, of course, worked out on the basis of findings and recommendations of the Commission which is expected to report within a reasonable period of time.

The provisions of this emergency loan, therefore, are purely preliminary to the formulation of the specific conditions which should apply to the broader and more comprehensive loan program which is believed to be necessary.

The US Government does not consider this loan to the Philippines or any other loans which may be granted under the terms of reference of the Joint Financial Commission to be a 'business proposition'. It is rather part of an overall recognition of the war-time heroism of the Filipino people impelling the United States to do all in its power to help the new government, representing a people who have been for so long a part of the United States, to achieve fiscal stability. It is recognized that the devastation wrought by war makes that stability impossible at the present time."

2. Foregoing was approved by President when I conferred with him and general tenor was approved by Allen, RFC.<sup>24</sup> I understood copy was handed to PI or FE.

3. Since my return Roxas has approved textually.

4. Urge promptest approval for release coincident with signature and information date and hour for concurrent release here.

5. Roxas has advised Elizalde that instructions to sign loan will be sent when statement is officially approved.<sup>25</sup>

McNUTT

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<sup>24</sup> George E. Allen, member of Board of Directors, Reconstruction Finance Corporation.

<sup>25</sup> In telegram 38, January 10, 1947, 7 p. m., to Manila, (896.51/12-3146) the Department stated that the explanatory statement could not be authorized, but the statement quoted in telegram 914, December 30, p. 942, was authorized for issuance.

## SIAM

### CONCERN OF THE UNITED STATES OVER RELATIONS OF SIAM WITH MEMBERS OF THE BRITISH COMMONWEALTH RESPECTING THE SOLUTION OF WAR PROBLEMS

741.92/1-1546: Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, January 15, 1946—3 p. m.

[Received January 16—11:45 p. m.]

39. Request by British for additional 25 million baht to meet expenses of British troops (50 million already expended) has raised whole question of validity of Heads of Agreement and Military Annex<sup>1</sup> since provision for full payment of occupation costs is contained in Military Annex (paragraph 6b) but not in formal agreement.<sup>2</sup> Another provision in same category is that providing for control of Siamese vessels until March 2, 1946.

Siamese have informed British that they consider Heads of Agreement and Military Annex of [*as?*] having lapsed with signature of formal agreement and only latter to be more [*now*] binding. Their argument is that formal agreement was supposed to embody all provisions of Heads of Agreement and Military Annex which were to take effect and that they had no intention or power to sign any secret agreements supplementary to formal agreement. They have, therefore, informed British that, while credit will be opened for 25 million baht, currency will not be granted free of cost.

Regardless of legal validity of Siamese argument, fact is that Government would be intensely embarrassed if it should appear that they had subscribed to and are bound by a secret agreement more onerous than the published agreement. Certain successful candidates in election have announced intention to denounce published agreement in Assembly as too severe and revelation of further binding terms

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<sup>1</sup> Signed by the British and Siamese Governments at Singapore, January 1, 1946; for texts, see British Cmd. 8140, Treaty Series No. 10 (1951), pp. 3-7.

<sup>2</sup> Terminating the state of war, signed at Singapore, January 1, 1946, *ibid.*, pp. 8-13.



would, of course, redouble their attempts. Actually British propaganda line that published terms are proof of leniency of British policy would also suffer from revelation of additional terms. We consider it in the interest of all concerned, therefore, that, whatever the legal situation may be, British limit their future demands to those falling within scope of formal agreement. Whether they will do so or not is, of course, very much open to question.

YOST

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741.92/1-1546 : Telegram

*The Acting Secretary of State to the Chargé in Siam (Yost)*

SECRET

WASHINGTON, January 19, 1946—8 p. m.

33. Urtel 39, Jan 15. For your information Dept informed Brit Embassy Jan 19 that it anxious help reach amicable settlement difficulties arising non-publication Annex in order avoid any political situation which might adversely affect negotiation rice agreement or flow of rice. Dept expressed willingness if desired [to make] joint diplomatic approach to persuade Siamese Govt to carry out without further agreement intent clauses proposed Military Agreement Number 2<sup>3</sup> other than provision placing Siamese shipping under Allied military which US cannot approve. Dept willing if desired to join in urging Siamese Govt to place shipping under UMA as agreed by US and UK, but expressed view proposal academic in view approaching termination UMA. Dept suggested also desirability compromise issue currency for Brit military force. Amount relatively small and minor importance compared possible adverse effect on major US and UK interest in rice situation.<sup>4</sup>

ACHESON

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<sup>3</sup> Temporary Military Agreement No. 1 had been signed at Kandy on September 8, 1945, by Allied and Siamese military officers; see *Foreign Relations*, 1945, vol VI, p. 1307, footnote 43.

<sup>4</sup> In telegram 60, January 23, 1946, 1 p. m., Mr. Yost requested the Department to exclude Clause 6 of the Military Annex from any joint approach to the Siamese Government. The clause, he noted, was the only one in regard to which difficulties had arisen but it appeared to have been designed wholly for the benefit of British occupation troops and was not a matter of direct concern to the United States. (741.92/1-2346)

892.61317/1-2146

*Memorandum by the Chief of the Division of Southeast Asian Affairs  
(Moffat)*

[WASHINGTON,] January 21, 1946.

On October 16, 1945 I handed a suggested draft of a proposed tripartite agreement between the United States, Great Britain and Siam informally to the British Embassy.<sup>5</sup> This draft was intended to set forth in agreement form principles which had been agreed to in principle between the two Governments relating to Siamese rice and certain other commodities in short world supply.

Several exchanges of *aide-mémoire* failed, however, to produce agreement as to procedures under the suggested agreement. In December, I suggested to Everson<sup>6</sup> of the British Embassy that we postpone further discussion of the agreement until our differences on the British-Siamese peace agreement were settled. Immediately following the signing of that agreement I suggested to Everson that we proceed to reach an understanding on the proposed tripartite agreement, the establishment of which we both recognized as urgent. I expressed the view that the only way to achieve such understanding was to stop writing *aide-mémoire* and have direct conversations between those with at least some authority to make decisions and to try to reach an agreed statement subject only to final government approval on each side. Everson admitted that even the Embassy did not understand just what his Government had in mind, but stated that fortunately Sanderson,<sup>7</sup> top rice man of the Ministry of Food was coming shortly to Washington.

[Here follows an account of meetings concerning the proposed tripartite agreement on January 5, 8 and 16 by officers of the Departments of State and Agriculture (including the Commodity Credit Corporation) with British officials headed by Mr. Sanderson. Informal agreement was reached by the participants, subject to the approval of the American and British Governments.]

892.61317/1-946 : Telegram

*The Acting Secretary of State to the Chargé in Siam (Yost)*

SECRET

WASHINGTON, January 22, 1946—8 p. m.

40. 1. Following oral conversations in Washington with Sanderson, top rice [man] MoF, complete informal agreement reached on terms proposed Tripartite Agreement and Tripartite Memorandum of Un-

<sup>5</sup> Draft agreement relating to Siamese rice and certain other Siamese export commodities in short supply, not printed; but see *Foreign Relations*, 1945, vol. VI, 1360, footnote 4.

<sup>6</sup> Frederick C. Everson, First Secretary of the British Embassy.

<sup>7</sup> Harold L. Sanderson, Director of Rice Supplies, British Ministry of Food.

derstanding regarding principles and procedures operation Rice Commission. Dept forwarding copies by pouch Jan 24<sup>8</sup> Invoice A-3 Registry 5450 and Brit Embassy forwarding copies to Bird.<sup>9</sup> Formal US and Brit approval expected before Feb 1. Negotiations with Siamese Govt should wait official approval (urtel 25, Pan 9<sup>10</sup>).

2. Major changes Oct 16 draft of Agreement include:

A. Article II para 1 limited to rice, metallic tin, and rubber, as teak not subject Combined Board nor tin concentrates since Jan 1.

B. Para 2 UK-US support Siamese membership Rice Committee but omit reference tin and rubber committees because of new terms reference those committees and exclusion certain other countries.

C. Article III para 3 details except *a*, *b*, and *d* transferred to Memorandum. Paras 3*a* and *b* expanded as to detail and provide Siamese Govt agreement with Commission on amount rice surplus.<sup>11</sup>

D. Para 5<sup>11a</sup> omits all reference control prices other Asiatic areas and balance of para.

3. US-UK agree that prices should be sufficiently high from outset to encourage flow of surplus rice for export and also encourage economic expansion rice production. Although no restriction future change in prices, it was felt to prevent hoarding or speculation original prices determined should if possible be adhered to through life of agreement. Brit suggested advance understanding between US and UK that price for low milled standard sample with approximately 30 percent broken rice should not exceed 15 pounds sterling. Although Dept understands this limit nearly twice present Siamese price, US unwilling agree any limit pending price study and recommendation by Legation and Willich.<sup>12</sup> Dept inclined belief (urtel 25, Jan 9) present Siamese controlled prices too low to stimulate production or eliminate hoarding when rice exported large scale. Dept believes maximum efficient export Siamese rice can be attained only

<sup>8</sup> These documents were sent to Bangkok in instruction 4, January 22, 1946.

<sup>9</sup> Hugh R. Bird, British Chargé in Siam.

<sup>10</sup> Not printed; it stated: "We believe Rice Commission should be established without delay and recommend that we and British representatives here be instructed jointly to propose to Siamese Government immediate organization of Commission. Its establishment need not await final settlement of all details of its structure and functions." (892.61317/1-946)

<sup>11</sup> Article III of the draft agreement of October 16, 1945, dealt with the establishment of a Combined Siamese Rice Commission, its functions and methods of operation and the role to be played by the Siamese Government. Under the terms of sub-paragraphs *a*, *b*, and *d*, respectively, the Siamese Government agreed: "to require returns from all holders of stock and paddy"; "to assess, in agreement with the Rice Commission, the quantity of rice surplus to the internal needs of Siam"; and "not to impose or permit the imposition of export or other duties on rice and paddy other or higher than those in effect on December 7, 1941, except as may be determined by agreement between the Government of Siam and the Rice Commission."

<sup>11a</sup> This paragraph stated that in determining the prices of Siamese rice exports, "due regard shall be given to the controlled prices of export rice produced in other Asiatic rice producing areas."

<sup>12</sup> Theodore R. C. Willich, representative of the Commodity Credit Corporation in Siam.



through obtaining voluntary willing cooperation Siamese Govt and people. One factor would be reasonably generous prices which also desirable in view required free rice. Please have Legation and Willich make careful study and give Dept detailed views as to prices.

4. Brit Rice Unit will make available all bags needed export Siamese rice up to 16,500,000 bags, other buyers to reimburse Unit cost of bags they use including transportation and overheads. Dept has requested Brit Embassy arrange sale to Willich of bags needed for USCC contract.

5. Please give or receive from Bird draft texts as impossible determine whose will first arrive.

6. Instructions will follow immediately upon official US and UK approval.<sup>13</sup>

ACHESON

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741.92/2-1946

*Memorandum of Conversation, by the Chief of the Division of Southeast Asian Affairs (Moffat)*

[WASHINGTON,] February 19, 1946.

Mr. Everson called to state that the British Government was very disturbed at the attitude adopted by the Siamese Government in relation to the Heads of Agreement and Military Annex which had been accepted by an exchange of letters at Singapore on January 1 a few hours before the signing of the formal British-Siamese Agreement. Although the Military Annex provided that the Siamese would sign an agreement or agreements covering any or all of the points set forth in the Military Annex, they now maintain that they are no longer bound thereby as the formal Agreement replaced the Heads of Agreement and Annex.

I remarked that I knew that this was the Siamese position, that I considered it indefensible, and I pointed out, with which view Mr. Everson heartily agreed, that this situation would not have arisen had the Heads of Agreement and Military Annex been published as we had requested at the time the formal Agreement was published.

The British Government is now requesting the Siamese Government to postpone discussion in the Assembly of the British-Siamese Agreement until the question of the Military Annex has been satisfactorily worked out, which it hopes can be done in a mutually satisfactory man-

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<sup>13</sup> In a memorandum of January 26, Mr. Moffat stated that he telephoned to Mr. Everson on the date the United States Government's approval of the texts of the draft agreement, the Memorandum of Understanding, and the proposed exchange of letters (892.61317/1-2646). British approval was not forthcoming, and on February 6 and April 8 (telegrams 1252 and 3044, respectively) the Department directed the Embassy in London to prod the British Foreign Office on the matter (892.61317/2-646, 4-846).

ner. Any agreements embodying the provisions in the Military Annex should, it believes, be available for discussion by the Assembly at the same time as the British-Siamese Agreement. It believes that the Tripartite Rice Agreement should also be submitted to the Assembly for discussion at the same time. Bird, the British Chargé at Bangkok, has been instructed to present the foregoing views to the Siamese Government.

While the British Government does not request us to do so, Mr. Everson was instructed to say that it would welcome any help on our part to break down the position taken by the Siamese regarding the commitments embodied in the Military Annex and in persuading the Siamese Government to postpone discussion of the Agreement in the Assembly while the provisions of the Military Annex are under discussion.

Mr. Everson stated that his Government had considered carefully the suggestion which I had made that the points included in the Military Annex be covered by an informal agreement with the Siamese Government but that it felt that such arrangement would not be satisfactory because it would be certain to become public knowledge. The British Government would prefer therefore to make, as originally planned, a formal military agreement. They were considering, however, the comments which I had offered with regard to Clause 6 *b* of the Military Annex and Clause 7 and would communicate with us as soon as they had reached conclusions with regard to those two Clauses.

I explained that I did not contemplate that any agreement reached informally with the Siamese Government on the points covered by the Military Annex should be secret, but I had thought it would be wise to secure the ends sought by an exchange of notes without reference to the Military Annex rather than by a formal military agreement. I thought also that possibly no agreement would be needed in connection with clauses which might already have been put into effect, such as Clause 2 for the desequestration of Allied banking and commercial concerns and for permission for them to resume business; that inasmuch as we would in effect be a party to the proposed Military Agreement Number Two, to be signed by SACSEA, (except for Clause 7 in its present form) the non-publication of the Military Annex and its formal implementation as a Military Agreement at this time might prove embarrassing to this Government. I pointed out that the British themselves had proposed a joint diplomatic approach for an exchange of notes regarding the substance of Clause 3 (holding Japanese property at the disposal of the Allies); that I understood also that the British had proposed an exchange of letters, which I was not sure had been effected, with regard to Clause 1 (payment of compensation for all Allied losses); and that I still hoped a similar approach would be possible with regard to the remaining clauses of the Military

Annex. Mr. Everson said that he thought his Government would still wish to have an Allied Military Agreement Number Two but would communicate with me further.<sup>14</sup>

A[BBOT] L[OW] M[OFFAT].

740.00119 PW/3-446

*The Secretary of State to the Chargé in the United Kingdom  
(Gallman)*

SECRET

WASHINGTON, March 4, 1946.

No. 6475

The Secretary of State requests the officer in charge to discuss the following matter with the Foreign Office:

The United States Government is extremely anxious to commence proceedings for the settlement of Allied claims against Siam in order to secure prompt payment of proper American claims and to remove the uncertainty created by the existence of indefinite and unresolved claims which it considers detrimental to the rice program and the general restoration of the Siamese economy in which both the British and American Governments are vitally interested.

It is the understanding of the Department (Department *aide-mémoire*, November 29, 1945, British Embassy *aide-mémoire*, December 10, 1945, Department telegram 10783, December 13, 1945,<sup>15</sup> paragraph 3 of proposed teletype conversation) that there is agreement between the British and American Governments that an Allied Claims Commission will be established on which this Government and the British Government will have equal voice. The function of the Commission is to pass on all Allied claims and to determine the

<sup>14</sup> In a memorandum of conversation of February 28, Mr. Moffat wrote: "In the course of conversation I informed Mr. Everson that because of the Holidays there had been a delay in our sending a telegram requesting Yost in his discretion to inform the Siamese Government that we considered that they were bound by the Military Annex and suggesting, in his discretion, that he support the British request that Assembly discussion of the Singapore Agreement be postponed. I stated that I wanted him to know that we intended to cooperate but that, fortunately, before the telegram was dispatched we had received a telegram from Yost that an agreement between the British and Siamese on the whole subject had been reached subject to approval from London." (741.92/2-2846) The telegram referred to was No. 162, February 26, midnight, from Bangkok, which stated: "Only substantial issue is provision of free currency for British troops. As compromise Khuang has offered to include fixed sum for this purpose in budget which would be presented to and approved by Assembly. Argument as to validity of remainder of Heads of Agreement and Annex would be dropped on understanding that Siamese agree to carry out intent. This proposal has been submitted to London for approval." (741.92/2-2646) Khuang Aphaiwong was the Siamese Prime Minister.

Telegram 18, March 5, 11 a.m., from Bangkok reported a delay in the submission of the Singapore agreement to the Assembly to afford time to clear up Anglo-Siamese differences. "Khuang insisting that if he makes concession in provision free currency British agree to recognize lapse Heads of Agreement and Annex." (741.92/3-546)

<sup>15</sup> *Foreign Relations*, 1945, vol. VI, pp. 1377, 1385, and 1391, respectively.



method of settlement of such claims. The Department understands that the American and British Governments will consult as to the effect on the Siamese economy of the payment of such Allied claims and of the free contribution of rice required by the Singapore Agreement, and that if the total of such claims and the effect of such contribution is found to be overburdensome on the Siamese economy, there will be a reduction in the required rice contribution. The exact scope and functions of the Commission remain to be determined.

In order to implement the foregoing understanding the Department believes that it would be desirable to have agreement between the British and American Governments on the procedures to be followed. It offers, therefore, the following suggestions with which it hopes British views will be in accord:

1. The Department believes the objectives of the Claims Commission should be:

(a) to secure as rapidly as possible a complete statement of all Allied claims against Siam.

(b) to reach agreement on the categories of claims which are considered proper and the general principles to be applied to the evaluation of claims.

(c) to determine the methods of settling such claims.

2. It is suggested that the Commission should consist of representatives of the countries against which Siam declared war and the countries which declared war on Siam or which consider themselves in a state of war with Siam. Such countries would be UK, US, Australia, New Zealand, South Africa and France. It is thought that New Zealand and South Africa would not be interested in membership on the Commission and will submit any claims which they may have through the UK or Australia. Although it is aware that the membership of the Claims Commission was originally to be limited to Allied states, the Department believes that the inclusion of Siam on the Commission would facilitate its proceedings, expedite its work, and strengthen the Allied position in Southeast Asia.

3. A major objective of this Government is to secure a uniform policy regarding claims, so that those which, for example, the British and American Governments might consider improper would not be presented by other governments and paid by the Siamese. To achieve uniformity of treatment, it is thought all Allied claims should, in the first instance, be submitted to the Commission which could readily agree that certain categories of claims, such as loss or damage to tangible property, would be considered proper and that certain other categories, as, for example, hypothetical claims like loss of profits or goodwill would readily be considered improper. In-between categories might present some difficulties but the Department believes that agreement could be achieved with regard to those through pre-

liminary oral conversations between the British and American Governments.

4. Although the Department would expect the general principles applicable to the evaluation of claims to be determined by the Commission, it is not suggested that the Commission itself should determine the exact amount of compensation to be paid for damage or losses. It believes that it would be preferable for each government concerned to determine directly with the Siamese Government the amount of compensation for each claim which the Commission approves as appropriate for presentation. The total compensation so agreed upon should be reported to the Commission.

5. The Department does not suggest that the Commission should pass on British claims under Article 2 of the Singapore Agreement but it would hope that the British Government would apply the same principles in connection with such claims as are adopted by the Claims Commission and that the total amount paid by Siam pursuant to that Article would be reported to the Commission for its information.

6. In order to ascertain the total compensation to be paid by Siam and to ensure uniform treatment for all claims, the Department believes that it might be advisable when the Commission is established for the Siamese Government to inform other Allied Governments with possible claims, such as China and the Netherlands, and possibly also such non-Allied Governments as Denmark and Sweden, that it would pay compensation for the damage or losses sustained by them in accordance with the same principles and procedures as are adopted by the Commission for damage or losses sustained by countries represented on the Commission and to notify the Commission of the amount of claims submitted by such Governments and the compensation agreed to paid in settlement of claims falling within categories approved as appropriate by the Commission.

7. The Department hopes that the preliminary filing of all claims may disclose that payment of compensation for all Allied claims will be within Siamese capacity to pay. When the total compensation agreed upon in accordance with paragraphs 4, 5 and 6 above have been reported to the Commission, the United States and the United Kingdom will be in a position to consult on the question of whether such payments together with the required rice contribution will overburden the Siamese economy. Since it is the understanding of the Department that any adjustment of the total burden would be by a reduction in the rice contribution rather than by a scaling down of approved claims, it should be practicable to arrange immediate payment in full of the compensation agreed upon for claims without a final statement of the total of all approved claims.

8. There will be numerous other problems to resolve, such as which categories of claims should be payable in foreign exchange and which



in baht, and whether claims are to be paid to the Government concerned or directly to individual claimants.

It is the view of the Department that in so far as possible, settlement of claims should be made in Siamese currency and the Department noted with approval in the British *aide-mémoire* of November 12, 1945<sup>16</sup> the statement in paragraph 4 relative to British claims that "compensation will for the most part fall to be met in Siamese currency". The Department believes also that it would be desirable to have payments made by the Siamese Government directly to the claimants concerned.

The Department hopes that the British are in accord with the major objectives set forth in numbered paragraph 1 above and are agreeable to the procedure suggested. It suggests that if the major premises are acceptable, informal agreement on the details can be worked out in oral conversations and submitted to both Governments for approval.

The Department desires again to stress the importance which it attaches to prompt action looking to a settlement of Allied claims against Siam.

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892.61317/3-546

*The Department of State to the British Embassy*

CONFIDENTIAL

#### AIDE-MÉMOIRE

The Department of State has considered with care the information conveyed by the British Embassy's *aide-mémoire*, dated March 5, 1946<sup>17</sup> and the accompanying oral statement by an officer of the Embassy<sup>18</sup> that it is proposing to the Siamese Government the substitution of a new plan to maximize the export from and production of rice in Siam in lieu of Article 14 of the Anglo-Siamese Agreement of January 1, 1946. It is the Department's understanding that this proposal will provide for a target figure of 1,200,000 tons of rice to be exported under the authority of the proposed Rice Commission during the twelve months following the formal acceptance of the new proposal in accordance with allocations recommended by the Combined Food Board or successor body. It is understood that this proposal would be effected simultaneously with the signing of the Tripartite Agreement and the exchange of notes regarding the Memorandum of Understanding. All such rice would be paid for at prices to be determined, as provided in the Tripartite Agreement, by the Commission in agreement with the Siamese Government. If the

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<sup>16</sup> *Foreign Relations*, 1945, vol. vi, p. 1367.

<sup>17</sup> Not printed.

<sup>18</sup> The substance of Mr. Everson's oral statement was set forth in Mr. Moffat's memorandum of conversation of March 5, 1946, not printed.



proposal is accepted by the Siamese Government, the requirement for a free contribution of rice set forth in Article 14 of the Anglo-Siamese Agreement of January 1, 1946 would be waived, except that the Siamese Government would have to deliver free of charge, in such manner as the British Government might propose, an amount of rice equal to the amount by which exports of rice during the twelve months following acceptance of the new proposal fall short of the target figure. If rice at that time is still subject to international allocation it is assumed that rice so contributed free of charge would be exported in the same manner and under the same conditions as had been contemplated in the Tripartite Agreement for the free rice required by Article 14.

This Government welcomes the plan proposed by the British Government and believes that it will greatly aid in the important objective of maximizing the export from and production of rice in Siam.

The suggested amendments to the proposed Tripartite Rice Agreement and other documents which have been prepared in connection with it have been carefully examined. This government has no objection to the amendments proposed but would suggest four modifications.

(1). It believes that the amount of rice to be available for export in each month should be determined (having in mind, of course, the proposed target figure) by the Rice Commission in agreement with the Siamese Government as heretofore planned. It believes therefore that the last Clause of Article II, paragraph 3, should not be omitted but should be reworded so that Article II, paragraph 3, would read approximately as follows:

“3. The Government of Siam will, if requested by the Rice Commission, require returns from all holders of stocks of rice and paddy and will, in agreement with the Rice Commission, determine the amount of rice which will be made available for export in each month during the period that this Agreement is in effect.”

(2). In Article II, Section 6, it is suggested that there should be inserted after the words “January 1, 1946” a phrase along the following lines “as modified by the notes exchanged between His Britannic Majesty’s Chargé d’Affaires and the Siamese Minister of Foreign Affairs at Bangkok on . . . . .”

(3). A similar reference, it is thought, should be made in the first sentence of paragraph 10 of the Memorandum of Understanding. After the word “Article” in the second sentence of that paragraph it would seem that the words “as so modified” should be inserted.

(4). With regard to the notes to be exchanged between His Britannic Majesty’s Chargé d’Affaires and the Siamese Minister of Foreign Affairs on the relationship between the Tripartite Agreement and Articles XIII and XV of the Singapore Agreement, the Department has noted that the British Government desires to have stated that the Tripartite Agreement “should be regarded as implementing Articles XIII and XV”. The Department would ap-

preciate it if in each of the notes after the word "regarded" there were inserted the words "by our two Governments".

In order to expedite the negotiation and conclusion of the Tripartite Agreement and the Memorandum of Understanding the Department is telegraphing the American Chargé d'Affaires at Bangkok<sup>19</sup> its approval of the amendments suggested by the British Government and the foregoing suggestions which we have made and is authorizing him to associate himself with the British Chargé d'Affaires in commencing negotiation of the Tripartite Agreement and Memorandum of Understanding with the Siamese Government as soon as the British Chargé d'Affaires receives similar instructions from London. It is assumed that if the suggestions herein offered by the Department are acceptable to the British Government, it will include the changes suggested in its instructions to the British Chargé d'Affaires.

WASHINGTON, March 7, 1946.

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741.92/3-746

*The Chief of the Division of Southeast Asian Affairs (Moffat) to the First Secretary of the British Embassy (Everson)*

[WASHINGTON, March 7, 1946.]

#### ORAL STATEMENT

The Department appreciates very much the Embassy's courtesy in informing us orally on March 5 of the oral communication which Mr. Bird has been instructed to make to the Siamese Government with regard to the proposed substitute plan for Article XIV of the Singapore Agreement. As stated in the *aide-mémoire* which I am handing you,<sup>20</sup> the Department welcomes the proposed plan.

Unfortunately, there are three points in the instructions to Mr. Bird, as we understood them, which have disturbed us and we hope that our views on these points can be met before the substitute plan is formalized by an exchange of notes between the British and Siamese Governments.

First, as to the price of rice. We understand that Mr. Bird was instructed to inform the Siamese Government of the prices, to be determined by him at not to exceed £15 per ton, for which all rice exported would be paid. This not only would be inconsistent with the Embassy's *aide-mémoire* but also be directly contrary to Article II, paragraph 6, of the proposed Tripartite Agreement which provides that the prices to be paid will be "determined by agreement between the Government of Siam and the Rice Commission".

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<sup>19</sup> Telegram 145, March 7, 1946, 5 p. m., not printed.

<sup>20</sup> *Supra*.



Second, as to delivery. We understand that the instructions to Mr. Bird provided that delivery of the rice specified "should be made to His Majesty's Government" for export under the authority of the Rice Commission. We feel that this phraseology would be unfortunate in two respects. It might imply that title to the rice delivered was transferred by the Siamese to the British Government and accordingly that other countries purchasing Siamese rice under Combined Food Board allocations would purchase from the British Government and not from the Siamese. It would also seem to reduce the status of the Commission to an agency of the British Government. Both of these implications would obviously be contrary to the concept of the Tripartite Agreement. We earnestly hope therefore that the formal exchange of notes will make clear that the Siamese Government is not required to deliver the rice specified to the British Government, but is required to make the amount specified "available for exportation under the authority of the Rice Commission", as provided in Article II, paragraph 2, of the Agreement. Failure by Siam to make the specified amount available to the Rice Commission would result in a required future contribution to the British Government free of cost of an amount of rice equal to any shortage in the specified amount.

Third, as to the Tripartite Agreement and Memorandum of Understanding. The Department wishes to reiterate its position that the Tripartite Agreement and Memorandum of Understanding are to be negotiated with the Siamese and not, insofar as this Government is concerned, merely presented for their signature. This Government will wish to consider carefully, although expeditiously, any comments or suggestions which the Siamese Government may have to offer.

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741.92/3-746

*The British Embassy to the Department of State*

AIDE-MÉMOIRE

His Majesty's Government in the United Kingdom have been considering suggestions made by the Siamese Government for the modification or abandonment of some of the clauses in the Military Annex to the Heads of Agreement which were accepted on behalf of the Siamese Government by Prince Viwat<sup>21</sup> in an Exchange of Letters with Mr. Denning<sup>22</sup> at Singapore on the 1st January, 1946. They have also considered suggestions made informally by the State Depart-

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<sup>21</sup> Head of the Siamese delegation negotiating with the British.

<sup>22</sup> Maberly E. Denning, British Chief Political Adviser to SACSEA.



ment as to the manner in which the terms of the Military Annex should be given effect.

2. His Majesty's Government contemplated that the matters covered by the Military Annex would eventually be embodied in a Military Annex No. 2 to be made by the Supreme Allied Commander South East Asia <sup>23</sup> with Siam. They are now prepared to incorporate revised provisions of the Military Annex in an Exchange of Notes between the Siamese Minister for Foreign Affairs <sup>24</sup> and His Majesty's Legation in Bangkok. An exception to this procedure will be made, in deference to the wishes of the Siamese Prime Minister, in respect of clause 6(b) of the Military Annex which will be dealt with by a Memorandum from the Siamese Prime Minister which he will submit to the Siamese Assembly. The terms which will be embodied in the Exchange of Notes and Memorandum are those included in the attached revised version of the Military Annex.

3. His Majesty's Government have reason to think that this procedure will be more agreeable to the United States Government than the conclusion of an Allied Military Agreement. They hope that if the United States Government wish to offer any comment on the procedure now proposed they will be able to do so in the next few days as they wish Mr. Bird to inform the Siamese Prime Minister of it on the 11th March.

WASHINGTON, March 7, 1946.

[Annex]

#### REVISED MILITARY ANNEX

The Siamese Government shall agree:

1. To accept responsibility for safeguarding and maintaining Allied property, rights and interests of all kinds in Siam, with a view to their ultimate restitution or to the payment of appropriate compensation for loss or damage on terms to be negotiated between the Siamese Government and the Allied Government concerned.

2. To desegregate Allied banking and commercial concerns and permit them to resume business.

3. To hold all Japanese (and other enemy) property at the disposal of the Allies.

4. To cooperate in the apprehension and trial of persons accused of war crimes or notable for affording active assistance to Japan.

5. To hand over to the Allied military authorities all alleged renegades of Allied nationality.

<sup>23</sup> Adm. Lord Louis Mountbatten.

<sup>24</sup> Mom Rajawongse Seni Pramoj.

6. For so long as may be necessary for the conclusion of all matters of military concern to the Allies, until the evacuation of Japanese forces from Siam has been completed:

(a) To provide free of cost all other supplies and services for use in Siam and all Siamese currency that may be required by the Allied military authorities.

(b) To negotiate an agreement granting judicial and other immunities for Allied forces in Siam, similar to such agreements as have already been concluded by the Allies with one another.

7. To control banks and businesses, foreign exchange and foreign commercial and financial transactions in agreement with the Allies, for so long as may be necessary for the conclusion of matters of military, economic and financial concern to the Allies arising out of the war with Japan.<sup>25</sup>

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740.00119 PW/3-1346 : Telegram

*The Secretary of State to the Chargé in the United Kingdom  
(Gallman)*

SECRET

WASHINGTON, March 13, 1946—8 p. m.

US URGENT

2266. Brit withdrawal requirement free rice contribution by Siam of which Dept informed subsequent to Instruction 6475 Mar 4 greatly decreases need formal Allied Claims Commission. Dept giving further consideration its suggestion (Deptel 2135, Mar 8<sup>26</sup>) that uniform principles should be applicable all Allied claims in view complicated French and Chinese situation.

Dept now considers it might be better withdraw suggestion (Deptel 2135, Mar 8) and also not to establish Allied Claims Commission but provide for informal understanding between Brit, US, Australia and possibly Dutch on principles governing appropriate categories, evaluation and settlement their claims along general lines indicated In-

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<sup>25</sup> In an *aide-mémoire* of March 8, the Department informed the British Embassy that it "considers that under existing circumstances the proposed procedure is to be preferred to the conclusion of a second Allied Military Agreement". The communication pointed out further "that as now drafted Point 1 would permit the settlement of claims which the several Allies may have against Siam on different terms resulting in possible inequality of treatment. . . . In order to prevent possible inequality of treatment of claims submitted by the several Allies, the Department would suggest that there be inserted at the end of Point 1 of the revised Military Annex the phrase 'in accordance with principles established by an Allied Claims Commission on which His Majesty's Government is represented'." (741.92/3-746)

<sup>26</sup> Not printed.

structions 6475, Mar 4. Please discuss immediately FonOff and ascertain their views.<sup>27</sup> Sent London, repeated Bangkok.

BYRNES

892.61317/3-2646 : Telegram

*The Acting Secretary of State to the Chargé in the United Kingdom  
(Gallman)*

CONFIDENTIAL

WASHINGTON, March 26, 1946—8 p. m.

2672. 1. By *aide-mémoire* Mar 22<sup>28</sup> Brit Embassy agreed to modifications 2, 3 and 4 set forth Dept *aide-mémoire* Mar 7 on Siamese rice and also third point accompanying written oral statement.

2. In telephone conversation this afternoon Moffat and Sanderson, MoF :

A. Dept withdrew proposed modification 1 in *aide-mémoire*.

B. Stated US could not accept unilateral fixing price of rice as the 1,200,000 tons will be purchased by many countries including US<sup>29</sup> and price fixed will also have direct bearing on prices which Commission must fix. To expedite action however Dept while preferring agreement with Siamese willing waive Siamese participation in this price discussion but considers price must be determined in agreement between Brit representatives and Yost and Kahn.<sup>30</sup> Dept does not anticipate difficulty reaching agreement and willing give Yost and Kahn full discretion and authority.

C. Repeating second point of oral statement Dept requested omission phrase "to His Majesty's Govt".<sup>31</sup> This phrase does not strengthen Siamese obligation to Brit Govt and is embarrassing to US by implying Rice Commission agency of Brit Govt. Furthermore phrase will be source of criticism Brit taking all specified rice even though contrary fact.

<sup>27</sup> In telegram 2325, March 15, 6 p. m., the Department authorized London to inform the British Foreign Office that "no formal Allied Claims Commission now necessary". (740.00119 PW/3-1546) Telegram 3083, March 16, 11 a. m., from London reported the concurrence of the Foreign Office and pointed out that the "British might wish to set up some Anglo-Siamese body to deal only with British claims". (740.00119 PW/3-1646)

<sup>28</sup> Not printed.

<sup>29</sup> Telegram 3848, April 8, from London reported a Foreign Office statement that there was no basis in fact for the report that British authorities in Siam considered 1,200,000 tons of Siamese rice as British and consequently for resale by the British to other countries. (741.92/4-846)

<sup>30</sup> Walter B. Kahn, Adviser on Far Eastern Affairs detailed to the Legation in Siam, became U.S. representative on the Combined Siam Rice Commission when it was established in May 1946.

<sup>31</sup> In its telegram 3848 the Embassy in London reported information from the British Foreign Office that "although this phrase occurs in a communication addressed to Siamese Govt on the basis of instructions sent British Legation, Bangkok, as long ago as March 4, FonOff is fully prepared to take into account US reservations on this point when preparing text of formal notes which will embody present arrangements under discussion with Siamese Govt."



3. Brit requested change words "contribute free" to "supply" in fourth line Article 2 Para 6 Tripartite Agreement. This agreeable.
4. Sanderson promised talk FonOff Wed morn.
5. Please use best efforts secure Brit concurrence.

ACHESON

747.92/4-146 : Telegram

*The Acting Secretary of State to the Chargé in Australia (Minter)*

SECRET

WASHINGTON, April 1, 1946—7 p. m.

US URGENT

47. 1. Report received by Dept that Aust insisting inclusion in agreement with Siam for termination state of war clause denying Siam right enter any international commodity arrangement unless Aust also given opportunity to be party.

2. Such provision (a) would so clearly be contrary Aust-Siamese exchange of letters Singapore Jan 1<sup>32</sup> outlining terms to be incorporated, (b) would be such infringement Siamese independence and sovereignty and (c) would so adversely affect interests US and other countries desiring conclude commodity agreements with Siam, that you are requested immediately secure assurance Ext Affairs that no such provision will be included in Aust-Siamese agreement. Message similar import being sent Siamese [and] Brit Govts.<sup>33</sup>

3. For your info only text proposed clause as follows:

"Article XI. With view to the more effective promotion of the interests of Australia and Siam the Government of Siam undertake pending the negotiation of the treaty referred to in Article X (1) (treaty of establishment commerce and navigation), to inform and, when so requested, to confer with the Government of Australia regarding any proposed international arrangements relating to tin, rubber, oil or other commodities and undertake not to complete such arrangements unless the Government of Australia has been given an opportunity to become a party thereto."

4. Following background for such use as you may find desirable:

US has consistently taken position that Siam, the one independent nation SEA, must not as result war in which US had major role in defeat of Jap suffer any loss economic or political independence regardless technical states of war which existed between Siam and UK, Aust, New Zealand and South Africa.

US chose to ignore Siamese declaration of war against US, believing that declaration did not represent will of Siamese people. Aust state of war purely technical. US does not consider technical state

<sup>32</sup> Exchange of letters signed by Colonel A. J. Eastman, Australian plenipotentiary, and Prince Viwat, Siamese delegation head; for texts, see *The Siam Directory*, 1946 (B.E. 2489) edition (Bangkok, 1946), pp. 18-23.

<sup>33</sup> Telegrams 215 to Bangkok and 2831 to London, April 1, 7 p. m., neither printed.

of war gives Aust right to impose condition affecting adversely US interests or Siamese sovereignty and independence. For many months during negotiation Brit-Siamese Agreement concluded Singapore Jan 1 US offered comments on proposed Agreement with view to clarifying or eliminating provisions which might be construed to limit Siamese independence or sovereignty. Brit Govt acquiesced in suggested changes accepting fully principle that Siamese sovereignty and independence must be respected and that no nation should secure special or exclusive privileges.

5. Dept informing London paras 1, 2 and 3 suggesting similar Brit representations.

ACHESON

747.92/4-346 : Telegram

*The Chargé in Australia (Minter) to the Secretary of State*

SECRET

CANBERRA, April 3, 1946—5 p. m.

US URGENT

[Received April 3—9:34 a. m.]

41. This morning afforded first opportunity to act on Deptel 47, April 1 received late last night. I represented Department's views strongly to External Affairs officials advising of intention to see Evatt<sup>34</sup> and even Prime Minister<sup>35</sup> to set forth Department's serious concern. Later they sent for me and advised informally as follows:

(1) Officer<sup>36</sup> had telegraphed that he was signing at 11 a. m. today Bangkok time thus making it too late for fresh instruction to be sent him.

(2) It was never their intention that the clause should be interpreted as infringing Siamese independence and sovereignty but that their only intention was to insure that they would be put on notice if Siam were about to enter into a commodity agreement so that Australia could request inclusion if it chose to do so.

(3) The Siamese were refusing to sign the agreement with the reference clause unless Australia were prepared to exchange notes containing Siam's understanding of the limiting implications. They advised me that Officer closed the door to objections to his signing such exchange of notes by advising that on his own responsibility he was going to sign such documents simultaneously with the signing of the agreement.

(4) These officials expressed the view that the completed instrument and ancillary would not adversely affect American interests and indeed that Siam would not be signing if it were not satisfied of retention of independence and sovereignty.

I shall ascertain tonight or tomorrow if signing actually took place and try to secure exact language of reference portions.

MINTER

<sup>34</sup> Herbert V. Evatt, Australian Minister for External Affairs.

<sup>35</sup> Joseph B. Chifley.

<sup>36</sup> Frank Keith Officer, Australian Minister who signed the peace agreement between Siam and Australia at Bangkok, April 3, 1946.

747.92/4-446: Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, April 4, 1946—4 p. m.  
[Received April 5—11:20 p. m.]

336. Siam-Australian agreement [signed] 2 hours before receipt Deptel 215, April 1.<sup>37</sup> Notes outlined mytel 327, April 3<sup>37a</sup> signed same time.

Before receipt Dept's instructions we did not feel justified officially protesting but made known our strong disapprobation Article XI which led Siam insistence exchange notes designed meet our objections. Apparently Evatt personally drafted urtel even [*Article eleven?*] and refused to change it. Australia took position Khuang Govt committed itself to text agreement which ready to be signed when Khuang Govt fell.<sup>38</sup> Present Govt while insisting on exchange of notes felt it could go no farther. (Though we asked Seni on several occasions during recent weeks concerning progress Australian negotiations he gave no indication of any difficulty or any substantial departure from Eastman-Wiwat letters contemplated.)

Have presented gist Deptel 215 to Foreign Minister who hoped Dept's objections met by exchange notes which on our suggestion he will publish with text agreement. It possible to request govts concerned not to ratify agreement but feel exchange notes substantially nullifies effect offensive article. However, since interpretation Article XI outlined mytel 327 appears in notes only as "understanding of the Govt of Siam" which merely "noted" by Australian plenipotentiary we recommend Australian Govt be asked officially to accept this interpretation.

Other clauses do not vary substantially from Eastman Wiwat letters.

Yost

741.92/4-146: Telegram

*The Secretary of State to the Chargé in Australia (Minter)*

SECRET

WASHINGTON, April 11, 1946—11 a. m.

56. 1. Bangkok reports text Art XI included Aus-Siamese agreement as sent Deptel 47, Apr 1. Summary of notes (urtel 41, Apr 3) relative thereto reported as follows: Siamese note gives interpretation as "understanding of Govt of Siam". This interpretation is merely "noted" by Aus Plenipotentiary. Siamese note states that (1) Art XI is not intended impair sovereign rights of Siam, (2) Com-

<sup>37</sup> Not printed. but see telegram 47, April 1, from Canberra, p. 960.

<sup>37a</sup> Not printed.

<sup>38</sup> The former Regent, Pridi Phanomyong, became Siamese Prime Minister on March 25, 1946, with Direk Chainam as Minister for Foreign Affairs.



mercial treaty will be negotiated within 3 years, (3) "international arrangements" means multilateral arrangements between Govts, (4) "Other commodities" means rice and teak (Aus state informally they do not intend to apply it to rice), and (5) Siamese Govt will notify Aus of proposed international arrangements in order Aus may have opportunity to become party, but if other Govts concerned do not agree thereto Siam will be deemed to have discharged its obligation and may proceed with completion of arrangement.

2. Inform Ex Affairs US feels that by placing condition on sovereign right Siamese Govt to enter into agreements a precedent directly contrary sound principles international relations is established. This Govt furthermore surprised that Aus should seek special privilege from Siam without even communicating intention to other Allies.

3. Urge strongly that Aus reopen with Siamese consideration of Art XI with view either to withdrawal of Art XI or at least its redraft to place obligations contemplated on reciprocal instead of unilateral basis. Meanwhile, pending such action, US considers that Aus should in any case officially accept Siamese interpretation.

4. For your info we are repeating suggestion similar Brit representations.<sup>39</sup> London reported Apr 2<sup>40</sup> FonOff knew nothing of Aus intention Article XI and unwilling act without study. Bangkok reports that apparently Evatt personally drafted Art and refused any change at Siamese request. Present Siamese Govt authorized signing when informed preceding Govt had committed Siamese acceptance.

BYRNES

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747.92/4-1246 : Telegram

*The Chargé in Australia (Minter) to the Secretary of State*

SECRET

US URGENT

CANBERRA, April 12, 1946—midnight.

[Received April 13—4:58 a. m.]

51. Deptel 47, April 1 and mytel 41, April 3. I finally was able to see Evatt April 9 re Siamese treaty. He began by saying that he had heard of my representations and that he considered the interference of my Govt to be an unfriendly act to which I replied that my Govt might feel that their insistence on the clause was unfriendly to it. He was incensed with Officer and said that they were going to repudiate his action by refusing to ratify. I then recited the Dept's views about as expressed in paragraph 4 of telegram 47 and he cooled off as far as resentment towards US was concerned and reiterated the intent as reported in my telegram 41. I asked why the clause itself could not have been modified if their intent was so innocent to which he replied that in his view the innocence was implicit in the language as it stands.

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<sup>39</sup> Telegram 3116, April 11, 11 a. m., to London, not printed.

<sup>40</sup> Telegram 3668, not printed.

I contended that my Govt did not think so nor did the British and French Govts (whose representatives had associated themselves with my representations on April 8 and 9 respectively). Evatt promised nothing then and because of preoccupation with visit of Fraser and Nash <sup>41</sup> has not been persuaded to look at the question all this week.

However, his officials have not been idle and, knowing he will meet Officer at Singapore Monday morning for the showdown, have prepared a counter draft of clause 11 which they hope to have Evatt accept before they reach Singapore and which they hope the Siamese will accept as a part of the treaty instead of allowing the exchange of notes to stand. The new clause 11 reads the same through the word "navigation" and substitutes "to give the Govt of Australia reasonable notice of intention to conclude with any other govt or govts any bilateral or multilateral commodity agreements so as to give the Govt of Australia opportunity to approach those other govts should the agreements deal with commodities of which Australia is a substantial producer or consumer." They cannot predict Evatt's behavior but express the view that if this proposal is accepted, our objections should be substantially met.

[Here follows an account of further discussion between the Chargé and Mr. Evatt. The Chargé also included an observation that an associate of Mr. Evatt had remarked that Clause XI was aimed at the United States because it "was negotiating secret bilateral agreements with Siam to corner its production of tin, rubber and oil and that in fact the US has just about arrived at economic hegemony in Siam."]

MINTER

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747.92/4-1546 : Telegram

*The Secretary of State to the Chargé in Australia (Minter)*

SECRET

WASHINGTON, April 15, 1946—6 p. m.

US URGENT

59. 1. Address formal communication Ext Affairs that US deeply perturbed at principle involved in Art XI Aus-Siamese Agreement requiring Siam give advance notice any intention conclude commodity arrangement with other Govts, even though proposed Art probably of no great practical importance. Any provision which unilaterally conditions sovereign right of Siam to conclude arrangements with any other Govt would establish precedent contrary sound international relations. Before war Siam had completely thrown off unequal treaties. Other Govts generally eliminating unequal treaties

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<sup>41</sup> New Zealand Prime Minister Peter Fraser and Minister of Finance Walter Nash.



and withdrawing from prewar imperialistic policies. If Aus now requires unequal treaty with Siam it might furnish dangerous precedent for new series unequal treaties. This Govt hopes, therefore, that Aus Govt may be willing to withdraw unilateral requirement in Art XI requiring Siam inform Aus of intention to enter into commodity arrangements with other Govts or at least to restate Art XI so that obligations thereunder be mutually assumed and Aus would agree to give similar notice to Siam of Aus intention to conclude commodity arrangements.

2. For your info and such use you deem advisable there is absolutely no truth (urtel 51, Apr 12) in reports US negotiating secret bilateral agreements with Siam or seeking economic hegemony.

3. Bangkok being instructed <sup>42</sup> inform FonOff that although Dept has no practical objections to substitute Art it considers Art wrong in principle and considers Siamese should not accept either original Art (even if Aus accepts interpretation ancillary notes) or substitute Art unless Aus accepts principle of sovereign equality and therefore of reciprocal treatment and agrees to give similar notice to Siamese of Aus intention to conclude commodity agreements.

4. Sent Canberra. Repeated for info FonOffs Bangkok and London. French Embassy being informed.<sup>43</sup>

BYRNES

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747.92/4-1646 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, April 16, 1946—noon.

[Received 6:40 p. m.]

399. ReDatel 275, April 13.<sup>44</sup> Have informed FonMin re US attitude. He appreciates our support but is embarrassed by possibility of having to present controversy to Assembly which last week ratified Australian agreement. Australians not yet approached Siam on question.

YOST

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<sup>42</sup> Telegram 277, April 15, noon, not printed.

<sup>43</sup> A paraphrase of this telegram was handed to French Minister Francis Lacoste on April 16.

<sup>44</sup> Not printed; it directed that Bangkok "inform Siamese Govt this Govt does not object to substitute Clause 11 but that it protests strongly against original Clause 11 without ancillary notes as being inimical to Siamese as well as US interests and unacceptable to US." (747.92/4-1346) The files of the Department do not disclose whether either the Siamese or Australian Governments subsequently made official representations to each other on the question. The agreement terminating the state of war between Siam and Australia and the exchanges of notes, signed at Bangkok, April 3, 1946, are printed in *British and Foreign State Papers*, vol. CXLVI, pp. 553-558.



892.61317/4-1646 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

CONFIDENTIAL

BANGKOK, April 16, 1946—noon.

IMMEDIATE

[Received 2:31 p. m.]

400. ReDeptel's 145, March 7 and 195 March 27.<sup>45</sup> Tripartite agreement, Memorandum Understanding and accompanying notes presented yesterday to Foreign Minister by Thompson<sup>46</sup> and self. Foreign Minister confident there would be no disagreement on substance of drafts and promised to give final reply very promptly.<sup>47</sup> Thompson has not yet received from London final texts exchange of notes re revision Article 14, formal agreement, but expects them hourly.

Yost

892.61317/4-2546 : Telegram

*The Acting Secretary of State to the Chargé in the United Kingdom (Gallman)*

SECRET

WASHINGTON, April 25, 1946—6 p. m.

US URGENT

3506. 1. Yost Apr 22 reported<sup>48</sup> Brit FonOff has forbidden proposed premium payments, authorized higher prices up to 15 pounds per ton Siamese rice and directed Thompson express Brit doubt regarding 40 to 1 exchange rate.<sup>49</sup> "These instructions conflict in several respects with comprehensive rice program already submitted to PriMin by Butler,<sup>50</sup> citing Kahn's concurrence, and with Thompson and Yost approval. Presentation took this form to show combined nature of work being done in anticipation of Commission, but avoid American direct participation in rice clause negotiations. In Butler's views and ours, Thompson's new instructions would undermine program already under way and jeopardize attainment maximum flow rice. We also took exception unilateral Brit action on exchange rate without prior agreement and consultation Wash. Butler and Kahn at Butler's request and with approval of myself and Thompson taking plane to London to attempt to correct misunderstandings

<sup>45</sup> Neither printed.<sup>46</sup> Geoffrey H. Thompson, British Minister in Siam.<sup>47</sup> Telegram 425, April 23, 3 p. m., from Bangkok advised that the Siamese had proposed a number of minor amendments but only two of any substance. In telegram 312, the following day, the Department stated that it had no objections to these amendments. (892.61317/4-2346)<sup>48</sup> Telegram 420, not printed.<sup>49</sup> That is, between the Siamese tical and the British pound.<sup>50</sup> Somerset Butler, a British national who became Chairman of the Combined Siam Rice Commission when that body was established in May 1946.

which seem incurable by exchanges of slow and usually garbled cables”.

2. US considers establishment Siamese exchange rate prerogative Siamese Govt. Treas prefers make no recommendation regarding exchange rate (Deptel 3366 Apr 19 <sup>51</sup>). Following receipt further info prices and situation Bangkok and urgent plea for action sent Apr 23 by Yost,<sup>52</sup> Dept willing waive any doubts (Deptel 3186 Apr 12 <sup>51</sup>) and accept unanimous recommendations of both Brit and American representatives Bangkok that program they urge should be put into effect at once. Yost reports that for weeks there has been only a trickle of rice exports which, had there not been prolonged argument in London over each recommendation made by Brit experts Bangkok, would probably by this time have been going forward in considerable volume. Imperative necessity of getting rice out of Siam to meet world famine is being held up by “discussion of long-range economic and financial policies. Meanwhile Siamese rice market is completely stagnant, Siamese Govt is confused and losing impetus to which it had been aroused a month ago and Thompson, Butler and Doll <sup>53</sup> are in despair”.

3. Emphasize to FonOff that this Govt believes famine conditions do not permit luxury further debate as to best exchange rate, best price or effectiveness proposed premium payments to secure immediate delivery rice. It considers unanimous views Brit and US representatives on spot should be followed and that immediate action must be taken. Further delay more costly than possible defects in program. Furthermore Dept does not consider that either Wash or London under present circumstances is in better position than trusted men on spot to gauge prospective effectiveness program.

4. If proposed rice program not immediately adopted, Dept feels insistence on details must not be permitted jeopardize primary consideration which is action. Dept would have no objection any increase sterling price which Brit willing pay since increased sterling receipts would increase Siamese resources for importing incentive and rehabilitation items.

5. Dept informed that Brit price proposals include export duties and war taxes as well as bags. Dept hopes prices will be stated in conformity Paras 4, 5 and 11 Memo Understanding. These provide for standard sample and appropriate price differentials other grades and do not contemplate inclusion export or other duties in basic contract price.

6. Secure confirmation Dept understanding that proposed premiums would be applicable all rice delivered during periods specified and

<sup>51</sup> Not printed.

<sup>52</sup> Telegram 423, not printed.

<sup>53</sup> William A. M. Doll, British adviser to the Siamese Government.



payable by whatever country purchases such rice. Also that both same sterling and tical price (aside from premium) will apply all present stocks and new crop through period required for sale new crop by farmers—say Mar 1, 1947. For your info Dept informed that Doll considering further increase value tical about Dec which, although sterling price unchanged, would drop tical price. This would appear breach of faith with farmers and cast doubt good faith Rice Commission.

7. Dept again earnestly requests (Deptel 3186, Apr 12) that Brit moderate penalty on Siamese for failure achieve target figure. Prefer elimination altogether but at most applicable only shortages below 800,000 tons next 12 months.

8. Discuss this telegram with Kahn upon his arrival.

ACHESON

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892.61317/4-3046 : Telegram

*The Ambassador in the United Kingdom (Harriman) to the Secretary of State*

SECRET

LONDON, April 30, 1946—7 a. m.

US URGENT

[Received 4:48 p. m.]

4609. As result conversations with Butler and Kahn yesterday British have agreed to proceed with purchase Siamese rice on basis of premium and other proposals along lines outlined Dept's 3506, April 25. Telegraphic instructions were sent last night to British Legation. Bangkok authorizing to proceed. Price specified is 12 pounds 14 shillings a ton ex mill excluding bags. Premiums to be paid up to end of May will be 3 pounds a ton and between end of May and June 15 1 pound 10 shillings a ton. British telegram states this offer is on condition Siamese Govt will not increase exchange rate of tical above 6 pence (40 to the pound) during currency of agreement. While British do not feel it appropriate to incorporate this point in exchange of notes British Legation instructed to seek satisfactory assurance from Siamese authorities to this effect.

British Minister instructed to take immediate action and British telegram expresses hope for news of signing of agreement by morning May 1.

Butler tells us price includes export duties but not bags and that this is in accordance with standard commercial practice in Siam. He confirms Dept's understanding that proposed premiums will be applicable and rice delivered during period specified and payable by whatever country purchases rice. Also confirms that same sterling and tical price (aside from premium) will apply to all present stocks and to new crop through approximately March 1, 1947.

Kahn approves these arrangements and feels agreement should be



reached at once. The reaching of this agreement is believed to take care of points raised in Dept's Niac 3599, April 29.<sup>54</sup>

Sent to Dept as 4609, repeated Bangkok as 5.

HARRIMAN

892.61317/5-646 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

BANGKOK, May 6, 1946.

[Received May 6—2:45 p. m.]

481. Rice agreement signed this morning. Substance released press today but full text being withheld until formally presented Assembly. Text being pouched.<sup>55</sup>

YOST

[In telegram 3991, May 14, 1946, the Department directed the Embassy in London to inquire of the British Foreign Office whether the United Kingdom would be willing, jointly with the United States, to approach the Siamese Government proposing Siamese membership on the Combined Siam Rice Commission, to be followed by joint United States-United Kingdom-Siam invitations to China and India, provided that the Siamese became members of the Commission and agreed to the invitations (892.61317/5-946).

The Foreign Office informed the Embassy that the Government of India was reluctant to accept the suggestion that Siam be brought into the Commission with priority over India (telegram 5583, May 31, from London, filed under 892.61317/5-3146).

The Department deemed this point of view unsatisfactory. It noted in telegram 4425, June 3, to London that the Tripartite Agreement had been negotiated on a basis of equality of the three Governments, that the inclusion of Siam on the Commission was a question to be decided by the United States, the United Kingdom, and Siam only, and that participation by any other government must be on the joint invitation of the three signatory Governments; it concluded that unless the British were willing to accept these proposals, it would

<sup>54</sup> Not printed. The agreement superseding Article 14 of the agreement of January 1, 1946, was effected by an exchange of notes on May 1, 1946, by the British Minister in Siam and the Siamese Minister for Foreign Affairs; for text, see United Nations Treaty Series, vol. 99, p. 169. A further exchange of notes on May 1 dealt with the question of premium payments to be paid through June 15, precisely along the lines set forth in telegram 4609 from London. The texts of the two exchanges of notes were transmitted to the Department in despatch 54, August 13, 1946, from Bangkok, not printed.

<sup>55</sup> Despatch 114, May 7, not printed; for texts of the Agreement between the United States, the United Kingdom, and Siam and of the notes exchanged the same day, see United Nations Treaty Series, vol. 99, p. 181, and vol. 157, p. 85. The Department's press release of May 9 commenting on the Agreement is printed in Department of State *Bulletin*, May 19, 1946, p. 863.

be preferable to leave the Commission as it was (892.61317/6-346). On June 14, the Embassy in London reported in telegram 5971 that the Government of India had withdrawn its point of view and that the British Government was willing to accept the Department's proposals (892.61317/6-1446).

The invitations to expand the membership of the Commission along these lines were accepted by the Siamese Government on July 12, by the Indian Government on September 21, and by the Chinese Government on December 27 (telegram 839, July 20 from Bangkok; letter of November 9 from the British Embassy; and telegram 2203, December 30, from Nanking, filed under 892.61317/7-2045, 11-946, and 12-3046), respectively.]

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740.00119 PW/3-1646

*The Secretary of State to the Ambassador in the United Kingdom  
(Harriman)*

RESTRICTED

WASHINGTON, May 20, 1946.

No. 48

The Secretary of State refers to Department Instruction Number 6475 of March 4, 1946, to Department's telegrams 2135 of March 8, 1946, 2266 of March 13, 2325 of March 15, 4090 of May 17, and to the Embassy's telegrams 3029 of March 15 and 3083 of March 16.<sup>56</sup>

The Department has now examined the American claims against Siam which have been filed with the Department.

Set forth below in two groups are summary analyses of the categories of American claims which so far have been filed with the Department. In Group I are set forth those categories which in the opinion of the Department are clearly proper and as to which it believes there will be little disagreement as to the treatment proposed. Personal hardship is especially involved in any delay in the settlement of claims in this Group. In Group II are listed categories of claims and proposed treatment of a possibly more controversial nature, or in the propriety of which the Department does not concur.

The Department is anxious to initiate not later than June 15 discussions with the Siamese Government looking to the settlement of American claims. It would therefore appreciate receiving as promptly as possible the comments of the British, Australian and Netherlands Governments regarding the American views as to the categories listed. It should be understood that the claims of a single claimant may fall into one or more categories listed in both Group I

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<sup>56</sup> Telegrams 2135, 2325 and 4090 to London and 3029 and 3083 from London not printed; regarding telegrams 2325 and 3083, see footnote 27, p. 959.



and Group II and that settlement of a claim in one category would not in any way limit the presentation of claims in other categories on behalf of the same claimant. The Department hopes that it may be able to commence negotiations at least with regard to some or all the categories of claims listed in Group I even while discussion on principles involved in the categories listed in Group II may be proceeding.

The Officer in Charge is requested promptly to inquire whether the British Government is agreeable to an immediate joint approach to the Australian and Netherlands Governments suggesting that settlement of claims against Siam should be negotiated separately by each Government with Siam but in conformity with informal agreement between the four Governments as to the categories of claims and the methods of evaluating and settling such claims which are considered proper. It is suggested that such joint approach might be made to the Australian and Netherlands representatives in London in order to expedite decision and that for such purpose it might be advisable to hold an informal conference of the representatives of the four Governments at which the history and problems involved in such claims can be discussed.<sup>57</sup> The Officer in Charge is authorized to associate himself with a representative of the Foreign Office in such joint approach. It might be well at such a conference to indicate that, unlike the usual reparations cases, it has been agreed by the British and Australian Governments (in which view the United States Government concurs) that Siam should be required only to make restitution of Allied property, rights or interests or to pay compensation for losses or damage sustained by Allied property, rights or interests.

## OUTLINE ANALYSES OF AMERICAN CLAIMS

### COMMENTS :

1. *General.* While several bases for evaluating claims might be adopted, this Government believes that in connection with claims against Siam the fairest and at the same time simplest formula would be, in general, to evaluate claims on the basis of the value of property lost or damaged as of December 7, 1941 or the amount of money owed to claimant on such date. It believes that certain types of claims clearly should be compensated in foreign exchange but equally that as to other claims compensation should be payable in baht. In the former case, no problem of currency value is involved but in the case of com-

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<sup>57</sup> In instruction 177, June 28, to London, the Department noted that as far as could be ascertained, the United States, the United Kingdom, Australia, and the Netherlands were the only countries which Siam treated as enemies, interning their nationals and seizing their property (492.11/6-2846).



pensation payable in baht, the decreased purchasing power of the baht raises a serious question as to the adequacy of compensation. While no country should be held responsible for fluctuations in the internal purchasing power of its currency it is suggested that, in the present instance, if the evaluation of claims is based on the value of property lost or damaged as of December 8, 1941 some formula should be adopted which would take into account the decreased purchasing power of the baht at the present time. Obviously there can be no exact determination of such decreased purchasing power in view of the constantly fluctuating prices of various commodities in Siam. The decrease in value of the baht in terms of foreign exchange since December 7, 1941 might, however, be used as a practical measure of such decreased purchasing power. The new rates of exchange for the baht are just under one-third of the foreign exchange value of the baht on December 7, 1941, and the Department suggests as a simple, workable formula to reflect the decreased purchasing power of the baht that in connection with claims compensation for which is payable in baht, compensation should be payable at the rate of three baht for each baht of the agreed baht value of the claim.

2. *Interest.* If the view of the Department is accepted that in general claims should be evaluated in terms of the loss or damage to property, rights or interests as of December 7, 1941, the Department believes that the Siamese Government should also pay interest from that date to the date of settlement of each claim computed at 4 percent per annum, in the case of settlements payable in foreign exchange; and at 6 percent per annum in the case of settlements payable in baht.

3. *Payments in Foreign Exchange.* Where settlement is payable in foreign exchange, the Department believes that such foreign exchange should be in the currency of the claimant country. In the case of compensation payable in dollars, the Department believes that such payments should be made in the United States or, if paid in Siam, should be free of foreign exchange controls.

4. *Items Recovered.* It is probable that many items for the loss of which claims have been filed may be recovered and restored to the claimant. The value of such items should be deducted from the claim, but the claimant should, it is suggested, receive as compensation for the loss of use of such items the interest on the amount of such value from the time it was lost to the date of restoration as well as such sum as may be agreed upon as compensation for any damage to such item. If items are recovered or restored to a claimant subsequent to settlement, the claimant would agree to repay the Siamese Government the amount of compensation received on account of the loss of such

item less any sum agreed upon as compensation for any damage to the item.

5. *To Whom Compensation Payable.* The Department believes that it is a matter for each Government to decide whether compensation should be paid by the Siamese Government to that country on behalf of its claimant nationals or be paid directly to the claimant. In the case of American claimants, the Department hopes that compensation will be paid directly by the Siamese Government to the claimants.

[Here follows a discussion of nine categories of Group I claims such as dollars or other foreign exchange, baht currency, personal and household effects, tangible movable business assets, records and other business documents, salaries of interned Allied nationals and accounts receivable from the Siamese Government, and of eleven categories of Group II claims including amounts owed by private individuals or corporations, insurance claims, goods lost in transit, good will, agency contracts, expenses of internees, expenses of evacuation and rehabilitation, stocks and other non-negotiable instruments, and stockholders' claims.]

Several claims not falling apparently within any of the foregoing categories have also been filed with the Department. However, until further and fuller information is received by the Department, it will not be possible to analyze their nature or express views thereon. Further analyses and views will be forwarded from time to time if and when adequate information is received or new categories of claims are filed.

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740.00119 PW/7-3146: Telegram

*The Acting Secretary of State to the Minister in Siam (Stanton)*

RESTRICTED

WASHINGTON, July 31, 1946—5 p. m.

637. FonOff and Dept agreed Brit-Aus and US proposals settlement claims against Siam do not involve disagreement principles or objectives. Brit agreeable US wish set forth Dept inst 177 to London June 28 <sup>58</sup> (transmitted Bangkok July 2) and you are requested commence discussions FonOff for informal arrangement whereby early settlement American claims may be obtained along general lines Dept inst 48 to London May 20. Add, however, category claims for expenses or losses incurred result illness or injury directly attributable internment or other Siamese act. Compensation payable dollars except

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<sup>58</sup> Not printed; it expressed U.S. desire to begin discussions with the Siamese Government for early settlement of American claims (492.11/6-2846).



expenses or losses locally incurred with interest from time of expenses or losses.

Inform Dept promptly any substantive modifications desired by Siamese. As rapidly as arrangements agreed upon endeavor secure promptest settlement American claims accordance therewith including settlement agreed categories of claims without prejudice later settlement other categories same claims where understanding still to be reached. Keep Brit Min fully informed all times regarding settlement American claims.

Case will present his claim direct to Leg. Dept will forward others as rapidly as filed. Urgent you forward promptly info requested Deptel 357, May 7.<sup>59</sup>

Dept understands Brit-Aus will shortly commence discussions for formal claims committee consider Brit-Aus claims. Dept hopes US and Brit-Aus discussions with Siamese may result minimizing any important differences in standards adopted. Brit and Dept have agreed inform Netherlands of Brit-Aus and US plans and any modifications<sup>60</sup> but Dept prefers not notify other countries until procedures and principles agreed with Siam.

ACHESON

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[In note 48, September 26, 1946, the Minister in Siam sent to the Siamese Minister for Foreign Affairs the draft of the "Terms of Reference Suggested by the United States Government for the Settlement of Claims against the Government of Siam Arising from Losses Suffered by American Citizens". A copy of the note was transmitted to the Department in despatch 112, September 27, from Bangkok (740.00119 PW/9-2746).

In instruction 44, July 22, 1949, to Bangkok, the Department noted: "As a result of exchanges of communications between the Embassy and the Thai Government in 1946 and 1947, agreement was reached on certain modifications of the proposed terms of reference. Final acceptance of the terms of reference with agreed modifications appears to have been obtained in August, 1947."<sup>61</sup> (492.11/7-2249)]

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<sup>59</sup> Not printed; it requested information about the 90 Americans whose property was reportedly held by the Siamese alien property authorities (740.00119-PW/3-2646).

<sup>60</sup> The American Embassy and the British Foreign Office on September 4 presented to the Netherlands Embassy statements regarding the general principles under which the British and U.S. Governments were handling claims against the Siamese Government (telegram 7973, September 5, and despatch 1665, September 9, from London, filed under 740.00119 PW/9-546 and 9-946).

<sup>61</sup> An intra-office memorandum prepared in the Office of the Legal Adviser on July 7, 1949, stated that while the exchange of communications referred to "do not of themselves constitute a claims agreement between the United States and Siam, they are evidence that such an agreement has been reached." (492.11/6-1349)



892.61317/10-2546

*Memorandum of Conversation, by the Chief of the Division of  
Southeast Asian Affairs (Moffat)*

[Extracts]

[WASHINGTON,] October 25, 1946

Sir Harold <sup>62</sup> called by appointment at his request to set forth his views on Siamese rice and inquire as to the views of the Department. . . .

Sir Harold stressed particularly the need for continuing the Combined Rice Commission until September 1947 expressing the view that the possibility that the Commission would go out of existence March 1 [, 1947] and so end price controls was an important factor in causing hoarding. I was quite non-committal on the subject but pointed out that the price control continued until May 1, 1947 under British-Siamese notes exchanged May 1, 1946 and remarked that we thought the penalty provisions should be eliminated. I also commented on the impossibility of fulfillment of the 1,200,000 ton commitment because the coming crop would produce no surplus and I called his attention also to the official Siamese request for our good offices in securing a reduction of 200,000 tons from the required 1,200,000 tons on account of the loss of Battambang.<sup>63</sup> I concurred personally, however, with Sir Harold that the Siamese argument in this respect was probably not factually sound. Sir Harold commented that the May 1 notes had never from his point of view been intended as a means of acquiring free rice but as an incentive to the Siamese to export an amount which it was then agreed they were able to export. He concurred in my view that this was now impossible and stated that he thought the May 1 notes should be revised on the basis of existing potentialities and the 1,200,000 reduced to 600,000 to be exported between now and next September 1.

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[In a memorandum of November 1, 1946, the Chief of the Division of Southeast Asian Affairs. (Moffat) indicated that agreement was reached with Sir Harold Sanderson on a draft revision in the Siamese rice program (892.61317/11-146). The substance of the agreement was sent to Mr. Stanton in telegram 886, November 14, 4 p. m., with the following directive: "You and Thompson, when submitting proposed program to Siamese Govt, in such form as you may jointly decide most suitable, should, while expressing gratification recent Govt

<sup>62</sup> Sir Harold Sanderson, British Minister of Food.

<sup>63</sup> This request was contained in the memorandum from the Siamese Delegation dated October 23, not printed.

measures, respectively express dissatisfaction of US and UK at performance Siamese to date in meeting other areas' critical rice requirements, (also, in case UK at failure Siam meet its obligations under May 1st notes); emphasize that proposed program designed meet many causes to which rice program failure was attributed, but there are other causes solely within control Siamese Govt; and insist Siamese Govt assume whole responsibility for and hereafter meet internal problems squarely . . ." (892.61317/11-1446)

Telegram 1413, December 22, 4 p. m., from Bangkok, reported that the new proposals were submitted to the Siamese Government, and on December 21 the Siamese Cabinet agreed to them in principle (892.61317/12-2246).]

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[On December 7, 1946, the United States concluded an agreement with the United Kingdom, Australia, and Siam to expedite the flow of tin from Siam to world markets and to provide for the settlement of obligations of the Siamese Government to British, Australian, and other Commonwealth owners of mines in Siam arising from the agreement of January 1, 1946, between the United Kingdom, India, and Siam, and the agreement of April 3, 1946, between Australia and Siam. The agreement concluded on December 7 comprised a Memorandum of Understanding and an exchange of notes by the four Governments. Copies of the Memorandum of Understanding, Mr. Stanton's note No. 106 to the Siamese Minister for Foreign Affairs, note No. 10105/-2489 in reply, and the British Minister's note to the Siamese Minister for Foreign Affairs, all dated December 7, 1946, were transmitted to the Department by the Minister in Siam in despatch 205, December 16 (892.6354/12-1646). A summary of the agreement was given in a statement released by the Department on December 10, Department of State *Bulletin*, December 29, 1946, page 1186. An agreement for the continuation of certain provisions of the Memorandum of Understanding with regard to tin was signed by the four Governments on December 30, 1946. A copy of this agreement was transmitted to the Department in despatch 231, January 6, 1947, from Bangkok (892.6354/1-647).]

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892.61317/12-3046

*The Minister in Siam (Stanton) to the Secretary of State*

No. 224

BANGKOK, December 30, 1946.

[Received January 23, 1947.]

SIR: I have the honor to refer to the Legation's telegram No. 1413 of December 24 [22], 1946,<sup>64</sup> reporting that modifications of the

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<sup>64</sup> Not printed, but see last paragraph of bracketed note, p. 975.



Tripartite Agreement of May 6, 1946 and the Anglo-Siamese Agreement of May 1, 1946 had been agreed upon and that the new proposals were accepted on December 24 [22] by exchange of notes covering the Memorandum of Understanding.

In this connection copies of all pertinent documents, as listed under enclosures,<sup>65</sup> are transmitted herewith.

The principal modifications of the existing Agreements are summarized as follows:

1. The present target figure of 1,200,000 tons of rice to be furnished by May 1, 1947 is replaced by a new target figure of 600,000 tons, which shall be made available for export between January 1 and August 31, 1947.
2. The penalty provision shall take effect only from September 1, 1947 and then only with reference to the new target figure of 600,000 tons.
3. Extension of the Tripartite Agreement to August 31, 1947.
4. Establishment of a new basic price effective January 1, 1947 for 35% of milled rice ex mill at £20 per ton. (This is an increase in price from £12/14 per ton.)
5. Application of an export tax on rice of £4 per ton to be paid to the Government of Siam by the purchaser in sterling or dollars at the option of the purchaser.

It will be noted that the Communiqué sets forth the essential provisions of the Memorandum of Understanding but omits reference to the additional measures provided for in paragraph 2. The Communiqué emphasizes the Siamese Government's desire to fulfil its obligations and to supply rice to deficit areas. It concludes with a plea to all concerned to extend their closest cooperation to the authorities of the Government in order that Siam's obligations may be fulfilled and that Siam's rice production may be so increased as to lift, as soon as possible, the country out of the present adverse economic situation.

Respectfully yours, EDWIN F. STANTON

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741.92/5-947 : Telegram

*The Minister in Siam (Stanton) to the Secretary of State*

CONFIDENTIAL

BANGKOK, May 9, 1947—10 a. m.  
[Received 12:45 p. m.]

365. I. Exchange of notes in lieu of Heads of Agreement effected today by British and Siamese (Department's airgram No. 29 March 24 <sup>66</sup>). Principal modifications as finally agreed upon after protracted negotiations as follows:

(a) *Aide-mémoire* regarding Siamese currency required by Allied military authorities modified to read: "His Britannic Majesty's Em-

<sup>65</sup> None printed.

<sup>66</sup> Not printed.



bassy has the honor to state that requirements of Siamese currency for the purpose in question are expected not to exceed 80 million baht, exclusive of amounts already made available". This modification meets Siamese desires that amount should be specifically stated and that previous provision indicating additional currency might be required should be dropped (mytel 1107 October 4, '46 <sup>67</sup>).

(b) Exchange of notes between FonMin and British Embassy on its provision re control banks and businesses foreign exchange and commercial and financial transactions until conclusion of matters of military, economic and financial concern to the Allies arising out of settlement of war with Japan. Siamese contended provision no longer applicable.

(c) Siamese also felt memorandum from British Legation concerning Allied claims was out of date in view of the fact that Allied Governments are in fact negotiating with Siamese regarding claims of our respective nationals. However, British requested no change be made this provision in view importance attached by British Government to settlement claims and difficulty inducing British Foreign Office to effect change this late date.

II. Understood before these documents published in Siamese *Official Gazette* that Prime Minister will make statement regarding reason for exchange of letters when Parliament reopens.

III. Copy of memorandum and exchange of notes will be forwarded to the Department.<sup>68</sup>

STANTON

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PARTICIPATION BY THE UNITED STATES IN THE SETTLEMENT OF  
THE SIAMESE-FRENCH BOUNDARY DISPUTE OVER TERRITORY IN  
INDOCHINA CEDED BY FRANCE TO SIAM IN 1941<sup>1</sup>

892.014/12-2745 : Telegram

*The Secretary of State to the Political Adviser in Siam (Yost)*

SECRET

WASHINGTON, JANUARY 2, 1946—1 p. m.

2. 1. Brit Embassy has informed Dept. of proposed exchange letters relative Indochinese territories. (Urtel 117, Dec. 29<sup>2</sup>). Brit

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<sup>67</sup> Not printed; it stated that Anglo-Siamese negotiations to terminate Siamese obligations under the Heads of Agreement and the Annex had been proceeding in desultory fashion but had reached the stage where the Siamese Foreign Minister had supplied the American Legation with draft texts of communications to be exchanged by the British and Siamese (741.92/10-446).

<sup>68</sup> The texts of the exchanges are printed in British Cmd. 8140, Treaty Series No. 10 (1951), pp. 11-16.

<sup>1</sup> For previous documentation on this subject, see *Foreign Relations*, 1945, vol. vi, pp. 1240 ff., *passim*.

<sup>2</sup> Not printed; it stated in part: "Thai Govt received draft letters to be exchanged between British [and] Thai representatives Singapore regarding Indochina border territory. British letter states that British do not recognize acquisi-

Footnote continued on following page.

action taken at French request and presumably related para 1 urtel 89, Dec. 22.<sup>3</sup>

2. US position on Indochinese territories acquired by Siam unchanged (urtel 102, Dec. 27<sup>4</sup>). Dept cannot admit validity of transfer because made in course of Jap aggression and believes territories should be returned. It would welcome therefore step 1 proposed by Seni.<sup>5</sup> US position is without prejudice to subsequent peaceful procedures for readjustment of boundaries or territorial transfers, but choice of procedures rests with Siam. US could not object if Siam submitted dispute to UNO as in proposed step 2. As it considers territories legally French rather than Siamese it cannot support a Siamese demand on the French that territories be administered by an Allied Commission pending a UNO decision, as in proposed step 3, although naturally it would welcome any French-Siamese agreement looking to amicable solution.

3. US anxious for French-Siamese accord which, after restoration legal *status quo ante*, will settle border on merits and on desires of peoples concerned. It doubts French willingness to open way for such settlement and submission to UNO may be only course open to Siamese for raising problem. Much would depend on manner presentation. Dept inclined to believe that on adjudication legal merits Siam would lose and such legal decision would not remove inherent causes future discontent which is US objective. If UNO appeal adopted submission should therefore be based on intrinsic merits and wishes of peoples concerned. Dept hopes that UNO decision on that basis would be acceptable to all. Dept does not understand that France could block UNO decision as indicated your comment. Under Chapter 6,<sup>6</sup> Article 35, state not member of UNO may present dispute to Security Council or Assembly "if it accepts in advance, for purposes of dispute, obligations of pacific settlement provided in present Charter". Chapter 5, Article 27 provides that any member of Security Council party to dispute must abstain from voting on de-

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tion by Thailand of any territories acquired later than December 11, 1940 including all territory ceded by Vichy Govt on May 9, 1941. Thai letter states that Thai Govt 'have taken note' of British attitude.

"Thai Govt is reluctantly prepared to accept draft letters except that it wishes to substitute 'French Govt' for 'Vichy Govt.'" (741.92/12-2945). The exchange of letters took place on January 1, 1946, in connection with the signing on the same day at Singapore of the agreement terminating the state of war between the two countries. The letters retained the words "Vichy Government". For texts of the agreement and the exchange of letters, see British Cmd. 8140, Treaty Series No. 10 (1951).

<sup>3</sup> *Foreign Relations*, 1945, vol. vi, p. 1407.

<sup>4</sup> *Ibid.*, p. 1410.

<sup>5</sup> Mom Rajawongse Seni Pramoj, Siamese Prime Minister and Minister for Foreign Affairs.

<sup>6</sup> Of the United Nations Charter adopted at San Francisco, June 26, 1945: for text, see Department of State Treaty Series No. 993, or 59 Stat. (pt. 2) 1031.



cisions under Chapter 6. Dept inclined to believe UNO would not establish commission to administer territories pending decision, but Siam could suggest such temporary commission under Article 36, paragraph 1 alleging need in interest of peoples concerned on basis recent Siamese authority, disturbed conditions in Indochina, Chinese authority north of 16th parallel, Laos declaration of independence, et cetera.

4. US unwilling to advise Siam on Indochinese territories beyond para 2 above. It has avoided in other cases also recommending appeals to UNO at this stage. You may, however, give full explanatory views on UNO procedures including the foregoing, cautioning against extravagant hopes and making certain that Siam may not claim that US recommends such UNO action which Siam may decide to take and for which it must accept full responsibility.

BYRNES

851G.014/1-246

*The French Embassy to the Department of State*

[Translation]

No. 1033

MEMORANDUM

On January 1, 1945 [1946], the United Kingdom and Siam signed a treaty ending the state of war between the two countries and providing for annulment of the territorial acquisitions made by Siam at the expense of the British after December 7, 1941.

In an annex to this agreement,<sup>7</sup> the British Government states that it does not recognize any of the territorial changes resulting from the seizure of territories belonging to the Indo-Chinese Union effected by the Siamese Government on May 6[9?], 1941.<sup>8</sup>

The French Government would be pleased if, adopting an attitude similar to that of the British Government, and in accordance with the assurances given by the Secretary of State to the Ambassador of France in a note dated October 1, 1945,<sup>9</sup> the Government of the United States would be good enough to remind the Bangkok authorities that it also does not recognize the annexations that were made by Siam

<sup>7</sup> Reference is to the exchange of letters on January 1, 1946, between the British and Siamese Governments; see footnote 2, p. 978.

<sup>8</sup> This refers, presumably, to the Convention of Peace between France and Thailand, signed at Tokyo on May 9, 1941, *British and Foreign State Papers*, vol. cXLIV, p. 805. For references to documentation on this subject, see index entries for "French Indochina and Thailand, Japanese aggression" under "Southward advance of Japan", *Foreign Relations*, 1941, vol. IV, p. 1041, and under "Thailand-French Indochina border dispute", *ibid.*, vol. V, p. 934.

<sup>9</sup> *Ibid.*, 1945, vol. VI, p. 1346.



with Japan's support and after the Japanese aggression policy had begun.

The French Government thinks that such a communication would greatly facilitate the conclusion of an agreement between France and Siam, and the re-establishment of satisfactory relations, thus making a useful contribution to the stability and the tranquility of South-east Asia.

WASHINGTON, January 2, 1945 [1946].

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851G.014/1-246

*The Department of State to the French Embassy*

MEMORANDUM

In acknowledging receipt of the memorandum dated January 2, 1946, which the French Ambassador<sup>10</sup> handed to Mr. Vincent,<sup>11</sup> the Department of State desires to inform the French Embassy that just prior to receiving the memorandum an officer of the Department had again informed the Siamese Chargé d'Affaires<sup>12</sup> that this Government does not recognize the validity of the transfer of the Indochinese territories acquired by Siam on May 9, 1941 and considers that those territories should be restored by Siam. It was explained, as stated in the Department's note of October 1 to the French Embassy, that the foregoing view is not to be considered as supporting or opposing the merits of the pre-1941 Indochinese-Siamese border and that the position of this Government is without prejudice to any border readjustments or transfer of territory which may be effected by orderly, peaceful processes subsequent to the restoration of those territories.

At the same time, instructions were sent to the American political adviser at Bangkok again to inform the Siamese Government of the foregoing views.

WASHINGTON, January 4, 1946.

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892.014/1-846 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

NIACT

PARIS, January 8, 1946—8 p.m.

[Received January 8—1:40 p.m.]

118. In conversation with Baudet, Chief of Far Eastern Division at FonOff, he stated he is under pressure from press re effect of Brit-

<sup>10</sup> Henri Bonnet.

<sup>11</sup> John Carter Vincent, Director of the Office of Far Eastern Affairs.

<sup>12</sup> Dithakar Bhakdi.

ish and American renewal of relations with Siam on French claims to territories ceded by Indochina in 1941. FonOff would like to give press substance of Dept's instructions to Yost on this matter <sup>13</sup> (which they have received from their Embassy at Washington) as well as text of letter attached to British-Siamese treaty. Baudet indicated publication of latter was being delayed at request of British until it could be announced in House of Commons.

In this connection Paris press this morning carried brief announcement that French Govt has received assurances from Great Britain and US of support for French territorial claims on Siam.

Re Dept's suggestion that negotiations between France and Siam re frontier matters be held after Siam had recognized French sovereignty over disputed territory, Baudet stated French Govt would only be willing to discuss question of Islands in Mekong and would not be willing to discuss any revision of land frontier.

CAFFERY

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892.014/1-946: Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, January 9, 1946—3 p.m.

[Received January 12—6:22 a.m.]

23. Gist of Dept's serial No. 2, January 2 has been conveyed to Seni. He personally is reconciled to line of action in accordance with Dept's ideas but is not certain that rest of Cabinet will go along. However, in view of importance of issue and imminence of formation of new Cabinet,<sup>14</sup> he is inclined to adjourn action until assembly meets and new Cabinet set up. Likelihood is therefore that, unless strong pressure develops from some source, no further action on question will be taken before end of this month. Pradit<sup>15</sup> inclines to conciliatory settlement of issue but is confronted by public attitude, which most of political leaders share, which is more united, inflamed and intransigent on Indochina frontier question than on another [any other] issue in Siamese domestic or foreign politics. Meanwhile Saigon radio is conducting violent campaign for return of ter-

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<sup>13</sup> In telegram 118, January 9, 4 p.m., the Department informed Paris that it would have no objection if the French Foreign Office issued a statement giving the American position in full (892.014/1-846). The telegram then set forth the American position, along the lines of the memorandum of January 4 to the French Embassy, *supra*.

<sup>14</sup> Khuang Aphaiwong became Siamese Prime Minister on January 31, 1946.

<sup>15</sup> Pridi Phanomyong, Regent until the return of the King to Siam, December 1945. Despite the termination of his official position, he remained the leading political personality in Siam. The names "Pridi", "Pradit", and "Pradist" are used interchangeably.

ritories to French and recently stated that, unless territories were returned, France would prevent entry of Siam into UNO.

Landon and Cummings<sup>16</sup> left January 7 for week's motor trip through disputed territories.

Yost

892.014/1-1146 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, January 11, 1946—noon.

[Received January 15—4 p.m.]

32. Remytel 23, January 9. During Dening's<sup>17</sup> present visit to Bangkok, British have exerted strong pressure on Siamese to commence at once negotiations on Indochina question. British hope matter can be settled amicably between Siam and France without reference to UNO. They propose negotiations in two stages.

Stage 1, French and Siamese representatives would meet immediately in Singapore where (1) Siamese would restore territories to France and (2) France would announce willingness to negotiate permanent settlement of question. British admit present caretaker Cabinet in Siam could [go] no further than this.

Stage 2, after formation new Siamese Cabinet negotiations would continue with view to dividing disputed territories, Siam to receive strip in northwest of Mekong and France to receive all disputed territories in south. British consider this just settlement on grounds that: 1, Mekong is natural frontier in north; and 2, Cambodia should not be split in two. Dening is proceeding to Saigon to put these proposals up to French. Bird<sup>18</sup> hopes both British and US will put necessary pressure on France and Siam to secure their acceptance. He feels bilateral agreement will be more acceptable to two parties and more permanent than settlement imposed by UNO.

Siamese have agreed to send representatives to Singapore and are reconciled to repudiating acquisition of territories. They still cling

<sup>16</sup> Kenneth P. Landon, Assistant Chief of the Division of Southeast Asian Affairs, and William H. Cummings, Agricultural Officer, both of the Department of State, were on temporary duty with the American Legation at Bangkok. In telegram 34, January 12, 11 a.m., the Chargé at Bangkok stated: "Landon reports after trip covering disputed Cambodian territories and crossing into Indochina that no sign of unrest among people or of military forces on either side of border. Reports of likelihood of armed conflict seem to originate only with Saigon radio and Bangkok press. French problem with Annamites probably too difficult to permit French making any physical move against Siam at present time". (892.014/1-1246)

<sup>17</sup> Maberly E. Dening, Chief Political Adviser to the Supreme Allied Commander, Southeast Asia.

<sup>18</sup> Hugh R. Bird, British Chargé in Siam.



however to reference of matter to UNO and to administration of territories by neutral commission pending final settlement. While they are likely to abandon second of these proposals, it seems to us improbable that any Siamese Govt will risk great unpopularity which would result from apparently voluntary renunciation of largest and richest part of disputed territories. British plan seems to us worth trying but we are not sanguine of its success. It seems likely that only decision of some international body would save Siamese Govt's face and reconcile people to loss of territories.

While negotiations in Singapore may commence within few days if French are willing, no definite reaction should be expected before formation of new Siamese Cabinet.

Yost

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892.014/1-2546: Telegram

*The Acting Secretary of State to the Chargé in Siam (Yost)*

SECRET

WASHINGTON, January 25, 1946—3 p. m.

47. Deptel 2, January 2, 1946. 1. With respect to the possibility of Siam bringing dispute on border territories to the attention of the Security Council or General Assembly under Article 35, paragraph 2 of the Charter, Dept feels that Siamese Government should clearly understand the necessity of its first endeavoring to seek a solution to the dispute in accordance with the means set forth in Article 33, paragraph 1.

2. For your further information re possible temporary UNO commission to administer disputed Indo-Chinese territories it should be understood that although Security Council of UNO could recommend to the parties, under Article 36, paragraph 1, of UNO Charter, that such a commission be established in conjunction with appropriate procedures or methods for settlement of the dispute, the commission could be established only after the parties had agreed to it. Should the parties to the dispute agree to request UNO to establish an interim administrative commission, Dept feels Security Council could do so under Article 1, Section 1, and Article 29 of the Charter, if it deemed this necessary to the performance of its functions under Chapter VI of the Charter in facilitating a peaceful settlement of the dispute by the parties.

3. In so far as the establishment of an administrative commission representing the principal Allied powers is concerned (as distinguished from a UNO commission), this, too, would necessitate prior agreement between France and Siam.

4. It is important also to note that Siam's position with respect to

France may be complicated by Article 107 of the Charter, since France continues to regard Siam as an enemy state. For your confidential information American delegation at UNO meeting in London has been instructed that should dispute come before General Assembly or Security Council, delegation should assume that it is appropriately within the cognizance of UNO.

5. All of the foregoing and information in mytel 2 is without prejudice to powers of the General Assembly or the Security Council with respect to situations endangering or threats to international peace and security as defined by the Charter. In particular reference is made to Article 37.

Sent to Bangkok. Repeated to London.

ACHESON

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892.014/3-946: Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, March 9, 1946—noon.

[Received March 11—11:20 p. m.]

202. ReDeptel 136, March 4.<sup>19</sup> There has been no concrete action on Franco-Siamese question during last 2 months but negotiations are about to be resumed. Small Siamese and French delegations being sent to Singapore in near future. Siamese now apparently prepared to restore all disputed territories but before doing so wish to obtain French assurances that thereafter French will make generous gesture by retroceding some of territory to Siam. Area particularly desired is western portion of Cambodian territory around Battambang (Aphaiwong preserve).<sup>20</sup> Appeal to UNO will be made only in case plea to French generosity fails.

Neither Bird nor we believe there is slightest chance of French ceding Cambodian territory. Officials in Indochina show no intention of yielding more than Mekong Thalweg.<sup>21</sup> If French make no concession which Khuang can present to Assembly as *quid pro quo*, Singapore negotiation may prove sterile. On other hand it is likely that after French have consolidated position in northern Indochina they will mass troops on Siam border and demand immediate return of territories. Under these circumstances Siam would probably yield promptly and at same time submit case to UNO.

YOST

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<sup>19</sup> Not printed; it requested the Legation to report on the status of French-Siamese negotiations (892.014/1-1146).

<sup>20</sup> The Siamese Prime Minister was born of a prominent family at Battambang.

<sup>21</sup> A *thalweg* is the middle or chief navigable channel of a waterway which constitutes a boundary line between states.

751G.92/3-2646

*Memorandum of Conversation, by the Chief of the Division of  
Southeast Asian Affairs (Moffat)*

[WASHINGTON,] March 26, 1946.

M. Lacoste<sup>22</sup> called by appointment at his request and referred to his conversation with Mr. Vincent on March 25<sup>23</sup> in which he had requested this Government to send a telegram to Yost to stress again to the Siamese the importance of restoring the territories which Siam had acquired from Indochina. He stated that Mr. Vincent had promised that such a telegram would be sent reiterating our earlier position but not going further as M. Lacoste had requested because Mr. Vincent felt this Government should not put pressure on the Siamese to accept terms which the French might present in relation to matters other than the return of the territories. M. Lacoste inquired if such a telegram had been sent and I explained I had only just received a memorandum from Mr. Vincent with regard to it.

I then informed M. Lacoste that the British had recently suggested that we send a telegram along somewhat similar lines to urge the Siamese to commence negotiations with the French; that we had not done so because Mr. Landon when in Saigon had had a talk with M. Clarac<sup>24</sup> in which M. Clarac had expressed his concern at the failure of the Siamese to send a delegation as promised to Singapore, that Mr. Landon had repeated this to the Siamese Foreign Minister when he was in Bangkok a few days later, and Seni Pramoj had thereupon explained that there had been a misunderstanding as he thought the negotiations had been called off when Clarac went to Chungking, but that he would take the matter up immediately and dispatch the delegation; that a few days later we received a telegram from Yost that the Siamese were about to send the delegation; and that, under the circumstances, I felt that a telegram such as that suggested by the British was no longer needed.

M. Lacoste reiterated his request that we send a telegram along the lines of our message of last October and requested that I let him know when such a message is sent.<sup>25</sup>

A[BBOT] L[OW] M[OFFAT]

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<sup>22</sup> Francis Lacoste, French Minister.

<sup>23</sup> Memorandum of March 25 by Mr. Vincent, not printed (892.014/3-2546).

<sup>24</sup> Achille-Marie Clarac, French Foreign Service Officer serving as Diplomatic Counselor to the High Commissioner for Indochina.

<sup>25</sup> In telegram 202, March 29, 4 p. m., the Department directed Mr. Yost to repeat to the Siamese Foreign Office United States views on the restoration of the Indochinese territories. He was also given discretion to "express US belief that early return of territories desirable stable conditions SEA and in Siamese interest but you should make clear US not familiar with other terms French may propose nor is it our intention to influence Siamese action on such terms". (892.014/3-946)



892.014/4-846: Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, April 8, 1946—4 p.m.

[Received 6:52 p.m.]

353. Siamese Mission headed by brother former Prime Minister Khuang<sup>26</sup> left for Saigon today together with D'Argenlieu<sup>27</sup> and French Minister of Colonies<sup>28</sup> now in Saigon. Mission exploratory in character as previously outlined to me by Foreign Minister.<sup>29</sup> (Reference paragraph 5 mytel 285, March 26<sup>30</sup>). I repeated to Foreign Minister at that interview US views on restoration Indochina territories. (ReDeptel 202 March 29<sup>31</sup>) Siamese seem reconciled to restoration but still hope for later "generous gesture" on part of French. Our views thereon set forth mytel 202, March 9 [29]. Foreign Minister has promised to keep us fully informed course negotiations.

YOST

892.014/4-1046: Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, April 10, 1946—11 a.m.

[Received April 13—3:15 a.m.]

373. Remytel 353, April 8. Prime Minister asked me to call today to hear proposals Siam Mission is presenting to French. Siam Govt ready to recognize acquisition disputed territories null and void under whatever formula will satisfy French. Mission instructed not to become involved in historical or juridical arguments. In return, however, Siamese will ask French to accept one of two following alternative proposals.

1. French to retrocede all disputed territories to Siam in exchange for Siamese commitment that all surplus rice in area (estimated between one and two hundred thousand tons yearly) will be exported

<sup>26</sup> Pridi Phanomyong succeeded Khuang Aphaiwong as Prime Minister on March 25, 1946.

<sup>27</sup> Adm. Thierry d'Argenlieu, French High Commissioner for Indochina.

<sup>28</sup> Marius Moutet.

<sup>29</sup> Direk Chainam, also known as Direk Jayanam.

<sup>30</sup> Not printed; this paragraph stated: "Direk said he is recommending to Cabinet that French negotiations be inaugurated by despatch private mission to Saigon rather than immediate formal negotiations Singapore. He feels it better ground be first explored informally rather than risking impasse in formal negotiations. Upon being asked my opinion I said that *modus* did not seem to me important as long as action was rapid and clear cut along lines previously recommended by US and British Governments. Direk indicated he felt Siam had no alternative but to accept these recommendations." (892.00/3-2646)

<sup>31</sup> Not printed, but see footnote 25, p. 986.

via Indochina, that French will be given first opportunity to purchase this rice and that 20,000 tons will be delivered free to French annually for 10 years. Pradit hopes that urgent French need for rice to pacify Indochina population may induce French to accept this proposition.

2. French to sell to Siam all Laos province above 16 degrees. Price undetermined but might be \$50,000,000. Pradit hopes US firms could be induced to exploit mineral resources of Laos (he mentioned coal and tin) and concession royalties would help pay price of province.

Pradit describes these proposals as calculated to satisfy French prestige by formal restoration disputed territories and to meet French interest and save Siamese face thru one of above alternative arrangements. He lays great stress on difficulty his internal situation resulting from intense public feeling on this question, fact that Pibul<sup>32</sup> obtained wide public support thru acquisition territories, and unfounded report allegedly circulated by Khuang supporters that he was about to reach agreement with French for Siamese retention large part of area. Pradit inquired whether US would be willing to give Siam any support on this question.

I replied we would transmit his inquiry to Dept and took occasion to reiterate US policy on question (re Deptel 202, March 29<sup>33</sup>). I expressed belief Dept might be willing to counsel moderation and generosity to French but thought it improbable Dept would wish to advocate any particular mode of settlement. I stated personal view that most unlikely French would accept either proposal outlined above. He replied in that case there would be no alternative to submitting case to UN. He repeated, however, he would greatly appreciate receiving any advice Dept might care to give. He said he hoped Mission would be back from Saigon within a week and he would inform me results their negotiations.

Our view is that French unprepared to make any substantial concession . . . and that Siamese likely to be forced with choice (1) of abandoning territories without any satisfactory face saving arrangement or (2) submitting case to UN. It seems probable moreover favorable UN action might be dependent on Anglo-US support of fair hearing for Siam. Would Dept be willing in view of Siam agreement to restore territories (1) to urge French to make substantial concessions or (2) to inform Siam we will assist them to obtain fair hearing by UN. If Dept unwilling to take either these steps we believe Siamese should be promptly informed in order that they suffer no illusions and reconcile themselves to return to *status quo ante*.

Yost

<sup>32</sup> Field Marshal Luang Pibul Songgram, Siamese Prime Minister at the time of Siam's acquisition of Laotian and Cambodian territories on May 9, 1941.

<sup>33</sup> See footnote 25, p. 986.

751.92/5-146 : Telegram

*The Acting Secretary of State to the Chargé in Siam (Yost)*

SECRET

WASHINGTON, May 1, 1946—7 p. m.

336. For your info French Embassy furnished Dept draft proposed French-Siamese treaty.<sup>34</sup> Text practically identical Singapore Agreement<sup>35</sup> except:

(A) Omits Arts 13, 14, 15 and 17.

(B) Instead Art 2 para E provides repurchase piastres or francs Siamese notes collected by French in Indochinese territories occupied by Siam after June 12, 1940.

(C) Requires repatriation Siamese expense in agreement with French authorities all persons originally coming from territories annexed May 9, 1941 who were displaced by Siamese authorities after June 12, 1940.

(D) Term "property, rights and interests" defined to include French charitable and educational establishments, pensions to French nationals, stocks and concessions granted prior to and still valid June 12, 1940.

(E) Provisions pending conclusion new commercial and consular treaty similar Brit Art XI except omission "except where treaty specifically authorizes such action" and "on grounds of nationality".

(F) Aviation para requires negotiation civil aviation agreement not less favorable than those granted other Govts. Pending its conclusion Siamese to permit French airline planes freely fly over and land Siam.

Sent Bangkok. Repeated Saigon. Sent Paris and London as airgram.<sup>36</sup>

ACHESON

892.014/4-1046 : Telegram

*The Secretary of State to the Chargé in Siam (Yost)*

SECRET

WASHINGTON, May 1, 1946—7 p. m.

339. Reurtel 373, Apr 10. Inform FonOff Dept unwilling to support any particular mode of settlement; Alternative 1 conflicts with present Combined Food Board Allocations; this Govt always ready to see that any question raised in UN is given fair hearing, but this does not imply support of Siam's case.

<sup>34</sup> On April 25; the draft, undated, is not printed.

<sup>35</sup> The agreement of January 1, 1946, ending the state of war between the United Kingdom and Siam.

<sup>36</sup> The airgrams to Paris and London were sent on May 2 as Nos. 501 and 714, respectively.



For your info Dept informally asked French <sup>37</sup> to make settlement with sympathy in view difficulties Siamese Govt with general public who regard areas in question rightfully belong Siam.

ACHESON

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892.014/5-346 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, May 3, 1946—noon.  
[Received May 4—4:44 p. m.]

470. At direction Foreign Minister, FonOff representative on Saigon Mission called at Legation today to describe outcome negotiations. Meeting with Clarac took place in most cordial atmosphere. Siamese: (1) declared willingness to retrocede disputed territories, (2) asked for concessions by French to save Siamese face, (3) presented first of two alternative proposals outlined my 373, April 10, and (4) suggested possibility of plebiscite or submission question to UNO.

Siamese views submitted Paris which after one week replied that: (1) Siam must sign agreement terminating state of war with France along lines British agreement, (2) France prepared, after return of territories, to make "*un ajustement de détail des frontières*" intended to facilitate river navigation, local communications and "*les groupements locaux de population*" (this is understood by Siamese to mean only minor frontier rectifications, including Thalweg of Mekong), (3) France could add no further "acts of clemency" to that set forth under (2) above and to renunciation of Emerald Buddha, (4) there could be no question of alienation of Cambodian territory for which France is responsible to Cambodian people, and (5) questions at issue should be settled between France and Siam and there should be no reference to UNO and no plebiscite.

In view French attitude Siamese felt it useless to present second alternative proposal outlined my 373. They urged that Clarac come to Bangkok to get firsthand view of Siamese opinion and to continue negotiations there. He has not yet replied to this invitation and Siamese Govt has not yet decided what attitude to take concerning French stand. We have advised that negotiations be pressed forward rapidly both because of increasing likelihood of frontier incidents (Clarac protested against Siamese troops fighting in Lao ranks against French) and in interest of Siamese entry into UNO at next assembly session.

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<sup>37</sup> Memorandum of April 15 by Mr. Moffat of a conversation with Mr. Lacoste, not printed.

Foreign Minister has asked us whether Dept has any further views it wishes to submit. We recommend, as suggested concluding paragraph my 373, that US make its position perfectly clear to Siamese at this time. If US does not consider submission of case to UNO desirable and is not prepared to support its full consideration by appropriate bodies we recommend Siamese be promptly advised to make best possible arrangement directly with French.

Text proposed French agreement being transmitted by pouch.<sup>38</sup>  
Yost

751.92/5-446 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

BANGKOK, May 4, 1946—6 p. m.  
[Received May 6—5:03 p. m.]

483. Siam Government now considering presenting application for entry to UNO immediate future without awaiting settle Indochina question. This tactic is proposed for internal political reasons since government believes it would be more reasonable after France had vetoed Siam's application in Security Council to convince assembly that yielding to France is only means of effecting Siam entry into UNO. We have discouraged this manner of handling question, pointing out that from international point of view it would be far better to settle question with French first and avoid dispute in Security Council over Siam entry into UNO.

Yost

751G.92/5-846 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

IMMEDIATE

BANGKOK, May 8, 1946—10 a. m.  
[Received May 9—9:09 p. m.]

488. Re my telegram 487, May 7.<sup>39</sup> Recent developments in Indochina border question have two following aspects:

(1) With French troops fighting along Siamese frontier armed clashes involving Siamese likely to occur with increasing frequency.

<sup>38</sup> Despatch 109, May 3, not printed; the despatch noted that this draft agreement had been presented by the French authorities to the Siamese Mission during its recent visit to Saigon (892.014/5-346).

<sup>39</sup> Not printed; it reported information from the Siamese Foreign Minister that the French had fired twice on the Siamese town of Nakorn Phanom from the French side of the Mekong. Mr. Yost recommended that representations be made to the French to take prompt measures to prevent further incidents. (892.014/5-746)

Situation aggravated by flight large number Indochinese, including Laos Government, into Siam. Siamese feel they cannot refuse refuge to "blood brothers". At same time Saint Mieux, French Liaison Officer Bangkok, recently informed British Minister <sup>41</sup> French cannot await indefinitely while Siamese consolidate position in disputed territories, military operations will become impossible after heavy rains start in July and French may have to take action before that time. Minister strongly urged patience but there is always possibility French military may take advantage of some incident to launch armed attack.

(2) French during Saigon negotiations rejected all proposals (re my telegram 470, May 3) which Siamese felt might save their face. It seems unlikely further bilateral negotiations would be productive. On other hand Prime Minister feels any Siamese Govt which makes apparently voluntary retrocession of territories without compensation is committing political suicide. Nationalist sentiment will rise to boiling point and military wing of *coup d'état* clique, whose support constitutes essential element in present Government's Assembly majority may well swing back to opposition and place Khuang in power on platform of intransigence vis-à-vis France. Foreign Minister therefore suggested last night to British Minister and myself that British and US Governments jointly repeat to Siamese Government their statement of policy on border question and ask that territories be returned without further delay, at same time adding whatever assurances they may feel able to give concerning international consideration of dispute after territories have been returned. This would enable Government to place matter before Assembly with statement Siam had no alternative but to yield to unanimous solicitation of friendly great powers, at same time offering assurance of prompt subsequent international consideration of problem.

British Minister and I feel that further delay in overall settlement is likely to lead to increasingly serious complications. We also consider justified internal political apprehensions of Prime Minister and believe that overturn of present Government at this time, beside further complicating solution of border question, would result in serious and perhaps fatal delay in implementation of rice program <sup>42</sup> which is now being pushed with greatest vigor. We are therefore submitting following joint recommendations to you and to London:

(1) That we be instructed to reiterate to Siamese Government Anglo-U.S. policy on border question and urge immediate retrocession of territories;

(2) That we be instructed to inform Siamese that U.S. and British

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<sup>41</sup> Geoffrey H. Thompson.

<sup>42</sup> For documentation on this subject, see pp. 944 ff., *passim*.



Governments will do all in their power to ensure that Siamese case has full and fair hearing by UNO after return of territories;

(3) That French Government be informed of these steps, be urged to take all possible precautions to prevent frontier incidents and be asked to consent to hearing of case by UNO if Siamese so desire.

We realize this action will not enhance Anglo-American popularity in Siam but we believe it follows logically from policy our Governments have so far pursued and that it is essential with a view to preventing further deterioration in situation.

YOST

751G.92/5-846 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

NIACT

BANGKOK, May 8, 1946—10 p. m.

[Received May 9—6:50 p. m.]

496. Remytel 488, May 7 [8]. Prime Minister called in British Minister and myself this evening to present latest developments in border clash.

Governor of Nakorn Phanom reports that this morning two French officers accompanied by British liaison officer crossed Mekong and demanded that he immediately return to [the] French refugees who have crossed into Siam, as well as any arms Siamese may have taken from refugees. Governor said such action would be contrary to his instructions and asked for time to consult Bangkok. French refused and said if demand not complied with by 6:00 this evening they would bombard town. Governor is evacuating women and children.

Prime Minister asked British Minister and myself whether, if French bombard town or cross Mekong, Siamese should resist or withdraw. We advised strongly Siamese withdraw and avoid any armed clash with French. We said we had yesterday recommended that our Govts urge French to desist from hostile action and we hoped our govts would do so promptly and French would comply. Prime Minister agreed to order withdrawal. He suggested we send observers to area and we agreed. (Major Thompson<sup>43</sup> will be US observer.) British Minister suggested that Prime Minister also send to D'Argen-lieu and Paris official protest against "act of aggression". Prime Minister will do so and has asked to use British and US channels since he has no rapid means of communication with Paris and Saigon.

We strongly reiterate recommendation contained mytel 487, May 7<sup>44</sup> that Dept make immediate representations to French Govt.

YOST

<sup>43</sup> Maj. James H. W. Thompson, General Attaché, Legation in Siam.

<sup>44</sup> See footnote 39, p. 991.

751.92/5-946

*Memorandum of Conversation, by the Chief of the Division  
of Southeast Asian Affairs (Moffat)*

[WASHINGTON,] May 9, 1946.

M. Lacoste called at my request and I communicated to him the substance of the attached oral communication copy of which, for his convenience, I gave him.<sup>45</sup> I explained that we were particularly concerned about the provisions of Article VIII discussed in Point 3 but that the other comments were offered simply in the belief that they might be helpful to the French Government in the prompt reestablishment and maintenance of friendly relations with Siam. M. Lacoste stated that in his opinion, based on his own experience with Orientals, the French Government would feel that any recasting of the agreement into a friendly document would be construed as a weakness on the part of the French; that he would be the first to recommend it if he thought it would achieve the result sought but that he considered the Siamese were acting in bad faith throughout and did not recognize that they were in the wrong in having acquired the territories from Indochina and that under the circumstances he thought France should maintain a strong and dominating position. He added that, according to his information, the Siamese delegation which had been discussing the problem in Saigon had offered inexcusable proposals, whereas the French had simply maintained their position. The delegation had returned to Bangkok on April 4 and, so far as he knew, discussions had not been resumed.

A[BBOT] L[OW] M[OFFAT]

[Annex]

*The Department of State to the French Embassy*

ORAL COMMUNICATION

1. We appreciate very much the courtesy of the French Government in making available to us the text of the proposed Franco-Siamese Agreement.
2. As it is our desire to aid, as best we can, a rapid settlement and reestablishment of friendly relations between France and Siam, we would like to offer certain comments which we hope will be con-

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<sup>45</sup> In a memorandum of May 9, Mr. Moffat stated that he had communicated to the First Secretary of the British Embassy (Everson) the substance of his conversation with Mr. Lacoste and had given the former a copy of the oral communication (892.014/5-946).

sidered by the French Government in the light of the friendly, disinterested motive with which they are offered:

3. It is noted that the text follows very closely, except for necessary changes, the Anglo-Siamese Agreement signed at Singapore on January 1. There are, however, in Article VIII two important, though quite possibly unintentional deviations from the British text. This Article provides that the Siamese Government agree to conform to the Franco-Siamese Treaty of Commerce and Navigation of December 7, 1937<sup>46</sup> and not to enforce provisions excluding French and Indochinese commercial interests or nationals from participating in Siamese economy or trade. The comparable Article in the British-Siamese Agreement was the subject of long discussion between this Government and the British Government, and the final British draft specifically provided that British interests shall not be excluded on the "basis of nationality", and also permitted exceptions specifically provided for in the 1937 Treaty. We earnestly hope that the French Government will include these two points which appear in the British-Siamese Agreement, because without these clauses the French and Indochinese will be given a special privilege not accorded any other nation, and because taken literally the text would infringe on Siamese sovereignty and prevent Siam, for example, from limiting if it so desired certain phases of its economy or trade to Government ownership or operation. It is not believed that this is the intention of the French Government, especially in view of its action in joining with the British and American representatives in Canberra in representations to the Australian Government regarding a clause in the Australian-Siamese Agreement which would accord Australia certain special privileges not accorded other nations.<sup>47</sup>

4. The basic dispute between France and Siam is over the territories acquired in the course of Japanese aggression by Siam in 1941. We note that the French Government recognizes in the preamble of the draft agreement Siamese repudiation of its association with Japan, and also that the agreement is not designed to terminate a state of war, but to be the basis for resumption of friendly relations between the two countries. We feel that it would be particularly helpful to a prompt conclusion of an agreement and the restoration of sound friendly relations between France and Siam, if the Agreement could be cast in a form which did not follow the Anglo-Siamese Agreement which was for the termination of a war and if it could omit matters not directly related to the basic dispute between France and Siam.

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<sup>46</sup> Signed at Bangkok; for text, see League of Nations Treaty Series, vol. cci, p. 113, or *British and Foreign State Papers*, vol. cxli, p. 990.

<sup>47</sup> See telegram 51, April 12, midnight, from Canberra, p. 963.



If such other matters are deemed pertinent we believe that it would be extremely helpful if the obligations set forth could at least be mutually assumed and not imposed unilaterally. In connection with the foregoing comment it may be pertinent to note that on December 8, 1941, the Siamese interned all British, Australian, American and Dutch nationals and seized their property later declaring war on Great Britain and the United States.<sup>48</sup> At no time, however, certainly during the last five years, have French nationals or property in Siam been molested, nor has there ever been a declaration of war between the two countries.

5. Under the Agreement between Siam and the Vichy Government the Siamese undertook to pay several million ticals to France on account of permanent improvements made by the French in the territories acquired by Siam. Both as a matter of equity and as a means of promoting rapid restoration of friendly relations, we would like to suggest that there be specific provisions in the Agreement crediting Siam, against French claims under Article I, for any payments which they have made and also for any permanent improvements which they may have effected during their occupation of the territories.

6. Word has just been received from Bangkok that on May 7 the Siamese Foreign Minister informed our Chargé and also the British Minister that on that day French forces twice fired from the French side of the Mekong upon the Siamese town of Nakorn Phanom with rifles, machine guns and mortars; that the Siamese did not return the fire although six were wounded and two killed and public buildings hit by mortar shells, and although there were Annamese and Laos refugees in the town, there were no troops. The Siamese Foreign Minister greatly fears a violent nationalistic reaction among the Siamese public when the incident becomes known. We urgently hope that the French Government will take any necessary steps to prevent further incidents of this nature which can only result in making more difficult the negotiation of a Franco-Siamese Agreement and the restoration of friendly relations between the two countries.

I might add that we have had several reports of shooting from the French side of the Mekong at Siamese boats on the Siamese side of the river. Indeed, our Agricultural Attaché—an American—who was in a Siamese Government launch hugging the Siamese shore barely escaped with his life in one such incident.

[WASHINGTON, May 8, 1946.]

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<sup>48</sup> For Thailand's declaration of war on January 25, 1942, see telegram 350, February 2, 1942, from Bern, *Foreign Relations*, 1942, vol. I, p. 915.

751.92/5-946 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, May 9, 1946—1 p. m.

[Received 11 : 12 p. m.]

2242. In conversation with Baudet, Chief of Far Eastern Division, Foreign Office, he emphasized draft of proposed Franco-Siamese treaty (Dept's A-501, May 2<sup>49</sup>) represents ultimate French concessions and added he felt Siamese Govt would find them acceptable. French Govt, said Baudet, feels return of Indochinese territories is matter of considerable urgency and France would veto any move for admission of Siam to UNO until matter had been settled. Once disputed territories had been returned, France was prepared to take up in spirit of conciliation and friendship all outstanding questions between Indochina and Siam. Baudet indicated however that any territorial changes would be limited to minor frontier rectifications along Mekong River.

Sent to Department as 2242, Department please repeat to Bangkok as unnumbered.

CAFFERY

751G.92/5-946

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, May 9, 1946—3 p. m.

NIACT

[Received May 11—10 : 04 a. m.]

498. Remytel 496, May 8. Siamese Govt requests that following message be transmitted urgently to French Govt.<sup>50</sup> Same message also being transmitted by British Minister. Identical message being sent to AmConsul Saigon for d'Argenlieu.

Message follows:

"It was with deep concern that I received reports yesterday to the effect that cannon shots and machine gun first (*sic*) were fired by the French soldiers at Tha Khek on the town of Nakorn Phanom and Amphur Tha Uthen on the Siamese Bank, causing several deaths, injuries and considerable damages to houses and buildings.

Today a further report has reached me to the following effect: On May 8 the Commissaire and French officers at Tha Khek, together with Captain Newman, an English officer, came to Nakorn Phanom and requested action on four points: 1. To deliver the person arrested at Amphur Tha Uthen. 2. To deliver property and firearms

<sup>49</sup> See footnote 36, p. 989.

<sup>50</sup> The Prime Minister's message to the French Government was transmitted to Paris in Department's telegram 2280, May 11, 1 p.m., and notification of this action was sent to Bangkok in telegram 387, May 13, 5 p.m.

held at Tha Uthen. 3. To return 15 boats of Tha Khek. 4. To return 200 guns.

The Siamese authority asked for time to refer to the Ministry of Interior, but he received the reply that the Siamese authority was to reply by 1800 hours today, otherwise an attack would be made.

For the sake of peace and good neighbourly relations between our two countries, I appeal to you to do all you can to stop further military action, so that the matter may be settled by friendly negotiations.

Pridi Phanomyong, President of the Council of Ministers of Siam."

Yost

751.92/5-446: Telegram

*The Acting Secretary of State to the Chargé in Siam (Yost)*

SECRET

WASHINGTON, May 9, 1946—7 p. m.

369. Urtel 483 May 4. Inform FonOff Dept feels it undesirable for precedent to be set in UN veto membership application any nation, and that some assurance of acceptance should be sought by informal inquiry of friendly nation in behalf Siam before application for entry made.

For your info, in order secure sound procedure for all applicants US considering proposing resolution in Security Council to effect that all applications for membership received shall be considered by Security Council in Aug and applications received by Secretary General prior Jul 15 shall be referred to committee composed of one representative each member Security Council for examination and report to Council by Aug 1. Security Council will make recommendations on applications to Assembly meeting in Sep.

Although not yet proposed, we have discussed resolution with most members Security Council. Furthermore, permanent rules of procedure on membership applications as proposed by US are now under discussion in committee of experts. US hopes that by Jul 15 a number of applications will be made after the acceptance of resolution and rules on membership. Only present applicant is Albania and US opposed to acceptance Albania at present for political reasons but is attempting avoid opposing Albanian admission on merits of case.

Will notify you promptly if foregoing resolution or alternative procedure accepted.<sup>51</sup>

ACHESON

<sup>51</sup> In telegram 442, May 28, 8 p. m., the Department informed Bangkok as follows: "Security Council adopted US membership resolution UN unanimously May 17. Provisional rules procedure adopted." (751.92/5-446)



892.014/5-1046 : Telegram

*The Acting Secretary of State to the Ambassador in France  
(Caffery)*

SECRET

WASHINGTON, May 10, 1946—7 p. m.

2257. Deptel 2231, May 10.<sup>52</sup> Further info reported French attack Nakorn Phanom received (Deptel 2230, May 10<sup>53</sup>). This area remote from any disputed territory.

You are requested in your discretion make representations FonOff expressing concern US Govt and hope French Govt will act immediately to take all necessary steps prevent further such incidents which involve danger additional bloodshed and can only make more difficult satisfactory Franco-Siamese settlement and restoration friendly relations.

Dept understands Brit Ambassador<sup>54</sup> has made similar representations, and you may wish to ascertain steps he has taken prior to acting.

Sent Paris. Repeated Bangkok, London, Saigon.

ACHESON

751.92/5-1146 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, May 11, 1946—noon.

IMMEDIATE

[Received May 13—12:26 p. m.]

505. Reference my telegram 496, May 8. French did not carry out their threat again to bombard Nakorn Phanom. No further hostilities have occurred since those reported my telegram 487, May 7.<sup>55</sup> Siamese, however, report increasing numbers French troops with artillery arriving at Tha Khek (across river from Nakorn Phanom) and Savannakhet and fear renewal of attack.

Radio from Thompson and British observer who flew yesterday to Nakorn Phanom reports they have conferred with French who state incident commenced May 5 when party 150 to 200 Annamites, accompanied by persons identified by locals as Siamese police, crossed from Siamese to French side of Mekong at Hin Bun, killed 20 French Lao soldiers and 1 civilian, burned government offices, seized 700,000 piastres, 60 firearms and 12 boats and recrossed river. On May 6 there was prolonged fire on Hin Bun from Siamese side in spite of French protests to Governor Nakorn Phanom. French claim their

<sup>52</sup> Not printed; it summarized the oral communication handed to the French Minister on May 9, p. 994.

<sup>53</sup> Not printed; it quoted telegram 496, May 8, 10 p. m., from Bangkok, p. 993.

<sup>54</sup> Alfred Duff Cooper.

<sup>55</sup> See footnote 39, p. 991.

firing on latter town was essential to show Indochinese French willing and able to protect them.

Siamese on other hand claim (1) Annamites who attacked French at Hin Bun did not come from Siamese side of river but did flee across river after attack and (2) there was no firing at any time from Siamese side of river.

Further details expected when Thompson returns later today. Important fact is that French have agreed to withhold further offensive action pending instructions from Saigon unless "further acts of aggression occur from Siamese territory".

Siamese assure us they have instructed officials in area not to resist or reply to any French attack.

Meanwhile news has broken in Bangkok press and is receiving sensational treatment. British Minister and I expect to see Foreign Minister as soon as our observers return and urge that press be moderated.

We hope this incident, origins of which will probably never be completely clarified, may now be closed. It seems only too likely, however, that other similar incidents may occur at any time under present conditions.

We believe Siamese Government genuinely desirous of avoiding hostilities but is not above exaggerating and profiting by incidents which do occur to enlist support world opinion against "French aggression". Siamese undoubtedly have given some clandestine assistance to Indochinese fighting French.<sup>56</sup> French, however, tend greatly to overestimate extent of this assistance and to use it as excuse for attacks on Siamese sovereignty.

This explosive situation emphasizes urgency of prompt overall Franco-Siamese settlement which we believe could best be initiated by Anglo-US action along lines suggested my telegram 488, May 8.

YOST

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892.014/5-1146 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, May 11, 1946—4 p. m.

[Received 4:08 p. m.]

2307. Reference Deptel 2257, May 10. I delivered to Chauvel<sup>57</sup> an *aide-mémoire* indicating our concern over the reported incident on the Indochina-Siamese frontier.

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<sup>56</sup> In telegram 537, May 22, 11 a. m. the Chargé in Siam reported: "British Minister and I have urged Siamese to take all possible measures to disarm Indochinese refugees and prevent their re-crossing river without French sanction. Fact is however that Siamese authorities in Northeast do not have sufficient police and military forces adequately to control large numbers of refugees scattered through inaccessible jungle areas. French control on their side of river is even more incomplete." (751G.92/5-2246)

<sup>57</sup> Jean Chauvel, Secretary-General of the French Foreign Office.

Chauvel replied that the Foreign Office had still received no report from Indochina on the incident. The night before last the British Embassy had communicated with the French Foreign Ministry and a telegram had immediately been set to d'Argenlieu asking for full details. No reply has as yet been received.

Chauvel promised to inform me as soon as he received any information and he added that d'Argenlieu had been informed of the adverse reaction which the alleged incident had caused.

CAFFERY

751G.92/5-1446: Telegram

*The Acting Secretary of State to the Ambassador in the United Kingdom (Harriman)*

SECRET

WASHINGTON, May 14, 1946—7 p. m.

US URGENT

4002. On instruction Sec Paris May 13,<sup>58</sup> "I agree with proposal contained in the final para urtel 2258, May 10,<sup>59</sup> based on recommendation from Legation Bangkok", attempt secure prompt agreement FonOff for joint Brit-US action on three points set forth penultimate (not final) para Deptel 3922, May 10 which identical foregoing reference 2258, May 10.

In connection with point 1 (for Dept policy on territories see Deptel 8810, Oct 5, 1945<sup>60</sup>) Dept considers US and UK should avoid any statement on matters incident to resumption diplomatic relations France and Siam other than Siamese recognition invalidity Convention May 9, 1941 and retrocession territories. Siamese should be urged to take immediate unilateral action on both points if there is danger of delay in negotiation of agreement with France which involves other matters.

Keep Dept, Bangkok, Saigon and Sec at Paris informed Brit views. Sent London. Repeated Bangkok and Saigon. Paris informed.<sup>61</sup>

ACHESON

<sup>58</sup> Telegram 2327, not printed; the Secretary of State was attending the meeting of the Council of Foreign Ministers at Paris.

<sup>59</sup> Not printed; it quoted telegram 488, May 8, 10 a. m., from Bangkok, p. 991. Telegram 2258 was repeated to London as No. 3922.

<sup>60</sup> Not printed; it summarized the Secretary of State's note of October 1, 1945, to the French Ambassador, *Foreign Relations*, 1945, vol. vi, p. 1346.

<sup>61</sup> Telegram 2339, May 15, noon, to Paris, not printed.



751.92/5-2446 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

MOST IMMEDIATE

BANGKOK, May 24, 1946—6 p. m.

[Received May 25—3:47 p. m.]

546. Foreign Minister called British Minister and myself urgently to Foreign Office this afternoon to report new incident on Indochina frontier. Early this morning between one and two hundred French troops crossed Mekong near Vientiane and occupied Thabor on Siamese side. Siamese resisted and there were undetermined number casualties to both Siamese and French, including dead and wounded among former. Siamese then withdrew leaving town to French. Later report says French appear to be preparing to withdraw to their own territory but have not yet done so. Reports do not indicate whether any Annamites or Laotians involved. Other reports state French planes flying over Nong Kai and Sakol Nakhorn.

Foreign Minister requested that British Minister and I inform our govts and expressed hope renewed representations might be made to French. Siamese Govt [feels] situation increasingly serious but is determined to follow peaceful policy. British Minister and I referred to D'Argenlieu's assurances that French would take no forceful action except in reprisal for aggression from Siamese side and expressed view that present incident arose from local causes and did not result from orders from Saigon. Thompson quoted remark of Clarac to British Consul General, Saigon, that early rains would prevent any French military action in disputed territories.

Foreign Minister has informed press of latest incident and Siamese public opinion will undoubtedly be further excited. British Minister suggested desirability of presenting facts to world press. Foreign Minister referred to letter to UNO Secretary General<sup>62</sup> carried by Konthi<sup>63</sup> (mytel 533, May 21<sup>64</sup>) but said it is not to be presented until receipt of further instructions from him.

While realizing there is doubtless French excuse for present incident with which we are not familiar, we nevertheless recommend prompt representations to Paris and to French authorities Saigon. We do not feel there can be justification for invasion of Siamese territory and are certain continuation of these incidents will render more difficult set-

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<sup>62</sup> Trygve Lie.

<sup>63</sup> Konthi Suphamongkhon, Representative of the Siamese Minister for Foreign Affairs.

<sup>64</sup> Not printed; it recommended that the Department discourage Konthi Suphamongkhon from presenting to the United Nations the letter from the Siamese Government protesting against recent incidents on the Indochina frontier (751G.92/5-2146).

tlement of frontier question. Dept may also wish to instruct Saigon to urge Clarac to visit Bangkok (remytel 537, May 22).<sup>65</sup>

In view of repetition of incidents we feel we should withdraw recommendation that Dept discourage Konthi from presenting letter to UNO. (Mytel 533, May 21.)

Yost

751G.92/5-2646 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

CONFIDENTIAL

BANGKOK, May 26, 1946—1 p. m.

IMMEDIATE

[Received May 27—12:49 a. m.]

552. Siamese Government yesterday issued press communiqué on latest frontier incident which is quoted in full in my immediately following telegram.<sup>66</sup> Communiqué includes statement that matter has been submitted to UNO. Foreign Minister informs me that Bhakdi has been instructed to take this action and requests that, if faulty communications should prevent his receiving text of communiqué, Department make it available to him.

Latest reports from Tha Baw (Thabor) state that while some of French have re-crossed Mekong about 40 have entrenched themselves on Siamese side. All Bangkok newspapers reproduce communiqué with banner headlines and several report, without confirmation, French troops massing in Cambodia and elsewhere along frontier.

Since case has been referred to UNO, I contemplate, in conjunction with British, sending observer to spot to ascertain facts more fully.

Yost

751G.92/5-2646 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, May 26, 1946—7 p. m.

IMMEDIATE

[Received May 30—6:15 p. m.]

554. Prime Minister called British Minister and myself to his residence this afternoon to inform us of further frontier incident. All French at Tha Baw returned to Indochina last evening but early this morning 80 French, later joined by an additional 600, crossed Mekong west of Vientiane and occupied and looted Siamese village

<sup>65</sup> Not printed.

<sup>66</sup> Telegram No. 553, May 26, not printed.

of Ba Maw. According to latest report, they are proceeding eastward along Siamese bank of river toward village of Sri Chiang Mai. Siamese did not resist and there have been no casualties.

Prime Minister inquired whether we thought time had come to resist these incursions by force. British Minister and I repeated what we had said to Foreign Minister Friday (mytel 546, May 24) and urged he not do so, pointing out this would excite French and might lead to large scale hostilities. Prime Minister said he is sending clear telegram direct to Secretary General of UNO in addition to message Bhakdi has already been instructed to deliver. Prime Minister assured us he is taking vigorous steps to control Indochinese refugees in Siam and believes most have been disarmed. We doubt, however, that it has been possible to disarm substantial proportion.

Siamese public opinion is becoming increasingly excited and if incidents continue, govt may feel obliged to resist by force. Furthermore, continuation of incidents is certain to have discouraging effect on rice sowing in fertile northeastern area. We recommend, therefore, that: (1) French again be asked urgently to control their local commanders on frontier, (2) Clarac be encouraged to come at once to Bangkok (mytel 546, May 24), and (3) British Foreign Office be pressed to approve promptly joint recommendations contained mytel 488, May 8.

US and British observers being sent to scene of latest incidents as soon as transportation can be provided.

Yost

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751.92/5-2448

*The Secretary of State to the Ambassador in France (Caffery)*

SECRET

WASHINGTON, May 27, 1946—5 p. m.

US URGENT

2542. 1. Bangkok reported May 24 [Here follows text of telegram 546, printed on page 1002.]

2. Bangkok reported further May 26 [Here follows text of telegram 552, printed on page 1003.]

3. Express immediately FonOff increasing concern this Govt on border incidents which can lead only to bloodshed, increased difficulty in peaceful retrocession of disputed territories, and alienation American public opinion. Urge that instructions again be sent to prevent such further incidents and any movement French troops to Siamese soil.



4. On May 22 Bangkok reported.<sup>67</sup> "Saint Mieux, French Liaison Officer in Siam, has urged Clarac to come to Bangkok for conversation with Pradit. We and Brit believe this would be excellent means of giving French true picture of local situation but Clarac is taking position that France has made enough conciliatory gestures and next move is up to Siamese. General Brunskill, Brit GOC Siam, who is proceeding to Saigon on visit today, will urge Clarac to come Bangkok." Suggest to FonOff usefulness Clarac visit Bangkok and emphasize that great Power can afford proceed more than half-way in dealing with small nation in interest international cooperation.

5. Sent Paris. Repeated London.

BYRNES

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751.92/5-2846 : Telegram

*The Siamese Prime Minister (Pridi) to President Truman*<sup>68</sup>

BANGKOK, May 27, 1946.

I have the honor to communicate the following. On May 24th, 25th, 26th French troops crossed the Mekong River and forcibly seized Siamese territory which they continue to hold. These attacks must be considered concerted action against Siamese sovereignty and the preservation of peace. Against this unjustified aggression Siam is steadfastly and patiently adhering to its policy of non-resistance. The population in the attacked and adjacent areas are abandoning their homes and rice fields at a time when my government are striving to the utmost to fulfil their obligation to produce and deliver the maximum quantity of rice to the famine stricken areas. The displacement and the disturbance of my people for which French aggression is solely responsible compromises in the most serious manner the efforts of my country to assist in feeding the famine stricken areas. In the interests of peace and on behalf of the starving peoples of this area I appeal for your sympathy, your assistance and cooperation in reestablishing a peaceful basis for the achievement of the humanitarian objects which Your Excellency as well as I have so close at heart.

I avail myself [etc.]

PRIDI PHANOMYONG

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<sup>67</sup> Telegram 537, not printed.

<sup>68</sup> Copies of this communication were sent also to British Prime Minister Clement R. Attlee; Generalissimo Iosif Vissarionovich Stalin, Chairman of the Council of Ministers of the Soviet Union; Generalissimo Chiang Kai-shek, President of the National Government of the Republic of China; the Secretary-General of the United Nations, and other prominent persons.

501.AA/5-2846

*Memorandum of Conversation, by the Assistant Chief of the Division  
of Southeast Asian Affairs (Landon)*

[WASHINGTON,] May 28, 1946.

Participants: Mr. Luang Dithakar Bhakdi, Siamese Legation  
Mr. Konthi Suphamonkhon  
Mr. Abbot Low Moffat, SEA  
Mr. Kenneth P. Landon, SEA  
Mr. Stanton, [Appointed] American Minister to Siam

In the course of conversation Mr. Konthi said that one of the most important instructions that he had from his Government was to get Siam included among the United Nations. He reminded us that on a previous mission, shortly before the end of the war,<sup>69</sup> he had had similar instructions but that he had been unsuccessful chiefly because Siam was occupied by the Japanese.

Mr. Konthi went on to say that he had a letter from the Minister of Foreign Affairs to the Secretary General of the United Nations<sup>70</sup> inquiring as to the procedure of applying for membership in the United Nations. He asked us what the procedure was and if we would support Siam's application for membership.

Mr. Konthi was informed that the method of applying for membership was quite simple in that all that was required was a letter from the Minister of Foreign Affairs to the Secretary General applying for membership and agreeing to abide by all of the rules and the charter that were binding on members of the United Nations. He was also informed that the United States stood ready to vote affirmatively on the Siamese application for membership, that Siam might expect some difficulty from France in this connection inasmuch as France still considered itself in a state of war with Siam and that, therefore, it might be wise to give some thought as to the best time to apply.

Mr. Konthi said that Siam has never been informed by France that France would oppose Siamese membership in the United Nations, unless Siam first retroceded the disputed areas and that he did not believe that France would oppose Siam's membership.

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<sup>69</sup> See *Foreign Relations*, 1945, vol. vi, pp. 1252-1264, *passim*.

<sup>70</sup> The letter, dated May 20, 1946, expressed the earnest desire of Siam to join the United Nations, requested the extension to Konthi Suphamongkhon of the Secretary General's good offices and advice in the matter, and asserted that Siam was ready to assume full responsibility in carrying out the obligations of the United Nations Charter; for text, see United Nations, *Official Records of the Security Council, First Year, Second Series, Supplement No. 4*, p. 43.

892.014/5-2946

*Memorandum of Conversation, by the Chief of the Division of  
Southeast Asian Affairs (Moffat)*

[WASHINGTON,] May 29, 1946.

Participants: M. Francis Lacoste, French Embassy;  
Mr. James C. H. Bonbright,<sup>71</sup> WE;  
Mr. Abbot Low Moffat, SEA.

M. Lacoste called at my request, and I informed him that we had just received word from Ambassador Caffery,<sup>72</sup> in response to our request that he express to the Foreign Office our concern over the recent border incident, that he had seen Chauvel May 28 and that Chauvel had informed him that on the preceding day the Foreign Office had sent an urgent telegram to Admiral d'Argenlieu requesting a full report and stressing the necessity of his taking all steps possible to avoid such incidents.

We pointed out to M. Lacoste that the Siamese telegram to Mr. Lie<sup>73</sup> had been circulated to the members of the Security Council, but we had been informed that Mr. Lie was not placing it on the agenda. However, any member might do so at any time. It was our view that it would be very helpful if the French Government could promptly issue a statement giving out the information which Chauvel had given our Ambassador and pointing out that this action had been taken even before word had been received of the Siamese message to the Secretary-General. The longer the delay in making clear the French desire to avoid border incidents the greater, we felt, the danger that public opinion would insist that United Nations take action and some country might bring the issue before the Council. Whereas, since the Siamese desire is to obviate such incidents, a prompt announcement along the lines indicated would disclose no dispute between the two countries calling for Security Council action. Furthermore, we pointed out, the longer France remains silent the more difficult it will be successfully to present to the public her point of view.

M. Lacoste asked if we really believed it would be wise for the French Government to issue such a statement before it had received the full facts regarding the incident. We replied that we did, and he stated that he would wire the suggestion to his Government immediately.

A[BBOT] L[OW] M[OFFAT]

<sup>71</sup> Assistant Chief, Division of Western European Affairs.

<sup>72</sup> Telegram 2592, May 28, 7 p. m., from Paris, not printed.

<sup>73</sup> This was presumably the same as the telegram sent on May 27 by the Siamese Prime Minister to President Truman; footnote 68, p. 1005.



892.014/5-3046: Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, May 30, 1946—10 p. m.

IMMEDIATE

[Received June 5—2 a. m.]

577. Thompson returned today after visiting Nongkhai, Vientiane and Thabor. French authorities at Vientiane admit raids on Siamese territory approximately as reported my previous telegrams but justify them as essential to check raids on French territory by Laotians and Annamites based in Siam. Siamese Governor at Nongkhai admits that raids have taken place from Siamese side and even that unauthorized Siamese participated in one such raid. Governor states he is doing his best to disarm and control Indochinese refugees but, as there are 14,000 in his area and forces at his disposal are very meagre, it is obvious he is unable to do so effectively. He has, however, directed all local authorities to take every possible step to prevent any crossing of Mekong from Siamese side. French Commissaire Vientiane wrote Siamese Governor May 26 stating that if raids from Siam are not checked he will take further armed retaliatory action. He informed Thompson, however, that he would wait 8 days (presumably from May 29) before doing so. . . .

General Brunskill, who has just returned from Saigon, reports French authorities ascribe incidents to unauthorized acts of local commanders. Leclerc,<sup>74</sup> however, has denied in press statement that any incidents have occurred and Brunskill does not have impression that Leclerc, in contrast to French civil authorities, is particularly interested in checking his officers. French proposed Anglo-Franco-Siamese commission to proceed to scene of incidents and deal with situation. British Minister has informed London that, if such a commission is created, it should have (a) US representation and (b) considerable Allied forces at its disposal. Since he does not believe it desirable that Allied forces be sent to area, he has recommended that commission not be formed.

Bangkok press continues to publish stories forecasting imminent French attack and reporting massing of French forces on border and evacuation of Siamese frontier towns. Neither of these last reports is borne out by Thompson's observations.

As Department will note, incidents around Nongkhai follow pattern of incidents at Nakorn Phanom. Similar incidents are certain to recur until overall understanding is reached between French and Siamese. We continue to recommend as best means to this end views listed in penultimate paragraph my telegram 554, May 26. British Minister fully concurs and has so recommended to London. If UNO

<sup>74</sup> Maj. Gen. Jacques-Philippe Leclerc, Commander-in-Chief, French Forces in the Far East.

is to consider case it would be preferable that it consider whole question at issue rather than relatively minor incidents and furthermore that the disputed territories be returned before the question is adjudicated.

YOST

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892.014/5-3146 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, May 31, 1946—5 p. m.

MOST IMMEDIATE

[Received June 5—1:55 a.m.]

585. Siamese Government has requested that Anglo-US observers be sent to northeast border area to remain for week or two. British Minister, Gen. Brunskill and I believe such visit would be useful as deterrent to further armed action and are despatching observers shortly. Lt. Col. Law <sup>75</sup> will represent Legation. Observers will be instructed <sup>76</sup> not to intervene in any way or support either side but they will be authorized to assist, when requested, local authorities on both sides in coming to common understanding and avoiding incidents.

We would appreciate being informed whether Department approves this step. If it does, it may wish to instruct American Consul Saigon <sup>77</sup> to inform French authorities.<sup>78</sup> In view their much more far-reaching proposal to Brunskill, (mytel 577 May 30) it is not believed they will object to this arrangement.

Foreign Minister told me this morning urgent instructions have been sent to provincial governors along Mekong to prevent any crossing of river from Siamese side while situation remains critical. It is unlikely of course that these orders can be completely carried out. I took opportunity to suggest that wildly exaggerated stories in Bangkok press (reference penultimate paragraph mytel 577) are creating state of public opinion which makes reasonable settlement difficult. Direk admitted exaggerations and said he would endeavor to correct situation.

In view of statement of Secretary General of UNO that he is not referring case to Security Council because Siamese did not ask him to do so, Foreign Minister is now considering formally invoking

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<sup>75</sup> Assistant Military Attaché in Siam.

<sup>76</sup> Instructions given to Colonel Law by Mr. Yost were transmitted to the Department by Bangkok in despatch 132, June 3, not printed.

<sup>77</sup> Charles S. Reed, 2d.

<sup>78</sup> In telegram 466, June 6, 4 p.m., to Bangkok, the Department approved the sending of an observer and stated that Saigon was being notified (892.014/5-3146).

Article 35 of Charter.<sup>79</sup> He has not yet decided whether to submit to Council recent frontier incidents only or whole question of disputed territories. I reiterated US policy on disputed territories and expressed view that Siam would have more sympathetic hearing by Council if she had previously restored disputed territories to France or at least formally announced intention to do so. Foreign Minister stated he feared such action at this time would produce storm in Assembly but he would endeavor to work out formula which would satisfy US and Britain.

Since this whole question seems likely to come to a head rapidly, we hope British Foreign Office can be persuaded to proceed with joint recommendations submitted in mytel 488 May 8.

Yost

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892.014/6-346

*The French Embassy to the Department of State*

[Translation]

No. 358

WASHINGTON, June 3, 1946.

The Embassy of France in the United States presents its compliments to the Department of State and has the honor to address to it the following communication :

In the course of the last few days, the Siamese Government has addressed to the American and British Legations in Bangkok, to the Governments of the United States, Great Britain, the USSR and China, and to the Secretariat-General of the United Nations, various communications complaining of the acts of the French forces of Indochina and attributing to the latter the initiative for incidents that have recently occurred on the border of Laos and Siam, particularly on two occasions during the month just ended. At the same time, before the representatives of various foreign press agencies in Bangkok, it accused the French and native troops under French command of acts of violence and depredation incompatible with military honor, ascribed to the French authorities the responsibility for the incidents which had just occurred, and gave world opinion to understand, by its declarations, that the French Government had deliberately undertaken military operations against Siam in order to hasten the return to Cambodia and Laos of the territories which Thailand took from those native kingdoms in 1941.

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<sup>79</sup> Paragraph 2 of this Article reads: "A state which is not a Member of the United Nations may bring to the attention of the Security Council or of the General Assembly any dispute to which it is a party if it accepts in advance, for the purposes of the dispute, the obligations of pacific settlement provided in the present Charter."



After a thorough investigation, the results of which appeared only after a certain delay because of the difficulty of communications and also by reason of the care and meticulousness with which the inquiry was carried out, the French Government is in a position to reply pertinently and precisely to these various allegations.

On May 5 last, a band of 150 Annamites, who had revolted not only against French authority but also against the Viet Nam, and which had passed into the territory of Siam, crossed the Mekong, together with Japanese and Siamese elements, and attacked the Laotian village of Pak Hin Boun. That village was pillaged, partially burned, and the booty, as well as a certain number of hostages, carried off to Siamese territory.

On May 6, a new attack took place, under analogous conditions, against the neighboring village of Ban Hatte.

On the morning of May 7, the French Commander responsible for security and order in the sector which had just been the victim of these aggressions, having requested the local Siamese authorities to give assurances that they would oppose the repetition of such acts, and having received no reply at the end of the 20-hour time limit given them, had the administrative buildings of the Siamese town of La Khon fired on for a short period by two 20-millimeter machine guns, as a warning, and at a time when he knew that the premises were not occupied. On May 8, he presented to the Siamese Governor of the region a demand for the return of the hostages, the pirogues and all the articles that had been stolen, and insisted that the bands which had committed the various aggressions be disarmed. No reply was made to those various demands.

On May 24, a large armed band again crossed the Mekong to make a new raid on Laotian territory. A French force attacked it, compelled it to retreat, and then, exercising the right of pursuit which is sanctioned by law and custom in such cases, engaged it on the Siamese side, and there continued the engagement until the aggressors were dispersed. It returned to Laotian territory immediately afterwards. It had remained on Siamese territory for only three hours in all. In the course of the skirmish, a few of the assailants were killed; among them were found three Siamese nationals who were carrying French weapons.

Those are the facts which constitute, exclusively, the real substance of the incidents that have occasioned the recent protests of the Siamese Government and its propaganda campaign against France.

These incidents are only the most recent in a series of innumerable provocations (cattle thefts, pillage and burning of villages, capture of hostages) which Annamite and Laotian elements that have revolted against the native authorities of their country as well as against French authority have been committing for several months, frequently

accompanied by Japanese and even by Siamese, sometimes belonging to the regular Siamese Army. (Thus, after an engagement which occurred at the time when the French forces reoccupied the town of Thakhek, a Siamese colonel in uniform was found among the slain.)

These elements, which have taken the territory of Siam for their base of operations, hasten to return there in order to carry off their booty and seek refuge there after each of their incursions, and to prepare there for the following ones. The acts of these bands, which are well armed and organized, and certain of which have radio sets at their disposal, are possible only because of the complacency of the Siamese Government, which does not limit itself to giving them refuge, but has never made any attempt to disarm them, or to disperse them or to make them leave the border. What is more, it has permitted them to recruit new contingents on its territory, and to establish training camps in the vicinity of Indochinese territory, and numerous duly confirmed facts show that its benevolence with respect to them does not stop there.

As early as September 1945, the French High Commissioner in Indochina had representations made to the Government of Bangkok, through the intermediary of the British authorities, requesting it to put an end to this situation. It has had the said representations followed, as incidents occurred, by numerous protests with regard to the most flagrant acts. None of them has ever produced any result. The formal warnings which were given, quite recently, in this connection, to the Siamese Delegation which came to Saigon to discuss the conditions under which the return to Cambodia and Laos of the territories annexed by Thailand in 1941 is to be effected, manifestly had no effect either, since they were followed by the May incidents. These latter would not have been possible if the Siamese Government in conformity with the sentiments which it professes to entertain with respect to France, had taken the measures which the rules of international law impose on a responsible Government anxious to maintain—or, in the case of Siam and France, to return to—a state of peaceful and harmonious relations.

The French Government, for its part, is greatly desirous of renewing such relations with the Siamese Government, and that is why it has shown extreme patience and great moderation in its relations with the said Government. It has, therefore, experienced all the greater surprise and regret at seeing it distort and magnify immeasurably the incidents of last month, so as to present them as French aggression, and to arouse the sympathy of the United Nations for Siam, while the latter does not cease surreptitiously to assist the fomenters of disorder and to maintain, thus, a permanent state of unrest on the borders of Indochina.

It is only too evident that the Siamese Government is at present



attempting, by distorting acts for which, nevertheless, it bears the sole responsibility, to create a diversion, in the hope of thus being able to escape the obligation which is incumbent upon it, and which the American and British Governments have officially recognized, to restore to Cambodia and Laos the territories which Thailand robbed them of five years ago with the support of Japan.

The appeal by which it denounced "the aggression of France" and requested "the sympathy, assistance and cooperation" of the United Nations is the most recent and the most inadmissible phase of this maneuver.

Under these conditions, the French Government is bound to state that the forbearance which it has shown towards Siam, with which it is still, legally, in a state of war, has, so far, in the negotiations relative to the Cambodian and Laotian territories served only to encourage in Siam a spirit of resistance which has expressed itself by continual delays in the negotiations, by an increase of indulgence towards the *agents provocateurs* on the local plane, and, on the international plane, by an intolerable campaign of defamation.

The French Government deems, therefore, that the time has come to put an end to such actions, to confront the Siamese Government with its responsibilities, and to compel it, if need be, to take all measures to bring about order on the frontier. This disarmament, removal, and dispersion of the aggressive elements which are on Siamese territory are, in this connection, among the first precautions that must be demanded of Siam. Likewise, it appears desirable that the Siamese Government be firmly invited to restore, purely and simply, to Laos and Cambodia the provinces seized in 1941.

By order of its Government, the Embassy of France has the honor to request the Government of the United States to be good enough to intervene in this sense, with all its authority, with the Bangkok Government.

The Embassy avails itself of the occasion of the present note to renew to the Department of State the assurances of its very high consideration.

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851.00/5-3146: Telegram

*The Secretary of State to the Chargé in Siam (Yost)*

CONFIDENTIAL

WASHINGTON, June 4, 1946—9 p. m.

458. Paris reported May 31:<sup>80</sup>

"Baudet stated that while French Govt intended to take firm stand diplomatically, renewed instructions had been issued to authorities

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<sup>80</sup> Telegram 2654, not printed.



in Indochina to do everything possible to avoid further incidents, even though they feel responsibility up to now has been purely Siamese. Re delay in receipt of report from French authorities in Indochina, Baudet stated local military commander considered incident of such little importance he had made no report until specifically asked for one. Re suggestion French representative be sent to Bangkok Baudet stated it was 'obviously impossible to send diplomatic representative to country with which one was still technically at war'."

French Embassy at direction FonOff has informed Dept that France would oppose any examination of Siamese complaint by Security Council; that support of such examination by US even if complaint placed on agenda by other country or by Siam under Art 35 (2) would create unfavorable reaction France; that Siam has different status from other countries appealing UN because of existence state of hostilities with France; and that consideration of "tendentious" Siamese complaint would endanger UN prestige.

For your info US has no present intention place Siamese communication on Council agenda under Art. 35 (1) but would of course support Security Council discussion if matter is placed on agenda. On basis present info Dept does not consider border incidents war-rant placement on agenda.

D'Argenlieu's report states French attacked Laos band crossing from Siam and followed into Siam, withdrew within three hours and no further incident occurred. He also accused Siamese Govt active complicity aiding Laos and Annamese "rebels" mentioning documents captured, messages intercepted, and Siamese soldiers in Siamese uniform found among Laos dead in Indochina.

BYRNES

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892.014/6-446: Telegram

*The Secretary of State to the Chargé in Siam (Yost)*

CONFIDENTIAL

WASHINGTON, June 4, 1946—9 p. m.

459. 1. On May 28, Secretary General received telegram dated May 27 from President Siamese Council of Ministers. Bhakdi May 31 submitted memorandum to Secretary General<sup>81</sup> listing consider-

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<sup>81</sup> The memorandum, presumably the letter referred to in telegram 546, May 24, from Bangkok, p. 1002, was quoted in telegram 264, May 31, from New York, not printed. The memorandum called attention to the noticeable deterioration of relations between Siam and France since the termination of the war and the prevalence of a tense situation on the Siam-Indochina borders despite the good will manifested by the Siamese Government. It concluded with the details of various incidents by the French, classified under arbitrary arrest of Siamese nationals, wanton fusillades from the French bank of the Mekong, plunder and looting, violations of Siamese territory, and arbitrary control of Mekong River traffic, search of Siamese boats and confiscation of properties belonging to Siamese nationals. (501.BC/5-3146) The United Nations Security Council printed the text of the memorandum in Document S/72, a copy of which is in depository libraries of the United Nations.

able detail border incidents of past 6 months. Comments below are summary of Dept's view of procedural aspects of President's communication. The comments also apply procedural aspects memorandum submitted by Bhakdi.

(1) The President's communication accuses France of "forcibly seizing Siamese territory", of "concerted action against Siamese sovereignty and the preservation of peace" and of "unjustified aggression". The communication does not, however, specifically bring the matter to the attention of the Security Council or the General Assembly and it does not meet the requirements of Article 35(2) by stating that the Siamese Government accepts in advance the obligations of pacific settlement provided in the Charter. The only request the communication contains is an appeal for the sympathy, assistance and cooperation of the Secretary General in "re-establishing a peaceful basis for the advancement of humanitarian objects".

(2) The Secretary General has circulated the President's telegram and Bhakdi's memorandum to the representatives on the Security Council but he has not placed the matter on the Security Council's agenda. Under the Charter and the Provisional Rules of Procedure of the Security Council the Secretary General is not obligated to place it on the Council's agenda. The Dept feels that in the absence of a specific request from the Siamese Government that the Secretary General bring it to the Council's attention and in the absence of specific acceptance by the Siamese Government of the obligations of pacific settlement provided in the Charter the matter may not properly be placed on the Council's agenda for its consideration except under the circumstances outlined below.

(3) The matter could be placed on the Council's agenda for its consideration in any of the following ways.

(a) The Siamese Government itself could bring the matter to the attention of the Security Council as a dispute under Article 35(2). Should it so choose, the Siamese Government should specifically request the Secretary General to bring the matter to the attention of the Security Council as a dispute to which it is a party and specifically accept, in advance, for the purposes of the dispute, the obligations of pacific settlement provided in the Charter.

(b) The Secretary General under Article 99 could bring it to the attention of the Security Council as a matter which in his opinion may threaten the maintenance of international peace and security. He has not done so and we believe it unlikely that he will do so without further representations from the Siamese Government.

(c) Any Member of the United Nations could bring it to the attention of the Security Council under Article 35(1) either as a dispute or as a situation which might lead to international friction or give rise to a dispute. This has not been done and we have no evidence that it will be done.



(4) Similarly, the matter could be brought to the attention of the General Assembly at its meeting in September either by a Member pursuant to Article 35(1) or by the Siamese Government pursuant to Article 35(2).

2. Foregoing views expressed May 28 to Bhakdi and Konthi re Bhakdi memorandum. Konthi definitely implied Siamese not anxious to place matter on agenda but only to lay publicity foundation for future.

3. This telegram for information only. For U.S. policy see telegram No. 458 of June 4.

BYRNES

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892.014/6-746 : Telegram

*President Truman to the Siamese Prime Minister (Pridi)*<sup>82</sup>

WASHINGTON, JUNE 7, 1946.

I have read with interest your message of May 27 in regard to incidents occurring on the Siam-Indochina border and appreciate your statements indicating Siam's desire to maintain peaceful conditions and to continue to provide the maximum quantity of rice to the famine stricken areas of the world.

The American Ambassador at Paris has called the attention of the French Govt to the border incidents and has urged that all possible steps be taken to avoid further incidents on the Siam-Indochina border which might create misunderstanding. I take this opportunity to urge that you likewise do all in your power to control any unruly elements on the Siamese side of the border which might endanger peaceful conditions.

TRUMAN

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892.014/6-846 : Telegram

*(The Secretary of State to the Ambassador in France (Caffrey))*

SECRET

WASHINGTON, June 8, 1946—3 p. m.

2749. Dept has received note from French Ambassador<sup>83</sup> reviewing Siam-Indochina border incidents and urging that United States inter-

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<sup>82</sup> Transmitted to the Chargé in Siam in telegram 472. President Truman discussed Siam with the Appointed Minister to Siam (Stanton) when the latter called to pay his respects on May 29. Mr. Stanton's memorandum of that date read: "With reference to Siam, the President stated that he was very much interested in that country and had always hoped that it might be possible for him to visit it some day. The President stated that we had shown our interest in and friendly feelings toward the Siamese people in a number of ways and, in this connection, mentioned recent representations made to the French Government regarding the border incidents. The President said that we were anxious to see normal conditions established in Siam in order that trade may be resumed with that country and also with other neighboring countries. The President inquired regarding the rice program. Mr. Stanton stated he understood that the situation had improved. The President said he hoped that exports of rice would steadily increase." (123 Stanton, Edwin F/5-2946)

<sup>83</sup> No. 358, June 3, 1010.



vene with Siamese Govt to take necessary steps to maintain order along border and to return unconditionally territories acquired by Siam in 1941.

After waiting no longer than June 12 to give Brit opportunity for simultaneous action as indicated final paragraph this message please seek appointment with Bidault <sup>84</sup> and speak to him along following lines:

This Govt is becoming increasingly disturbed by continuing reports of friction along Siamese-Indochinese border. The French Govt is aware of our policy with respect to the unconditional return by Siam of the territories they acquired in 1941, and our position has been made known to Siamese Govt on numerous occasions. In view of the delicate political situation in Siam, however, and the interest of all countries in Siamese rice exports, which threaten to be held up by continuance or aggravation of present situation, we regard it as of utmost importance that the French Govt indicate publicly that when the disputed territories are retroceded it will be prepared to proceed in the friendliest manner to adjustment of the boundaries between Siam and Indochina with a view to establishing a mutually satisfactory frontier.

(For your info Dept believes for optimum benefit to be derived from such statement and also for permanent stability and peace, post-restoration examination of border should provide border determination in terms of real situation, divorced from legal and historic claims of both sides, taking into account such factors as security, economic geography, ethnography and the autonomy France is now conferring on Cambodia and Laos within Indochina federation. (See Deptel 4637 October 5, 1945; <sup>85</sup> Memorandum Conservation Lacoste and Moffat October 16.) <sup>86</sup> Dept would not, however, wish you to press for statement along these lines if it would jeopardize chances of obtaining any suitable statement.)

If statement is made we would be prepared once again to urge the Siamese Govt to put an end to their delays in handing back territory in question and to take every step within their power to disarm and disperse unruly elements in area of recent troubles.

As French are aware, the Siamese have sent a memorandum to Secretary General of U.N., who has in turn informed members of the Security Council. While no action has yet been taken to place question on the Security Council's agenda, there is no assurance that such action may not be taken at any time by any member of the Council. Furthermore, there are indications that Siamese Govt has under consideration possibility of placing matter before U.N. as a dispute under

<sup>84</sup> Georges Bidault, French Minister for Foreign Affairs.

<sup>85</sup> Not printed; it summarized the note of October 1, 1945, to the French Ambassador, *Foreign Relations*, 1945, vol. VI, p. 1346.

<sup>86</sup> *Ibid.*, p. 1358.

Section 35 (2) of the Charter. In either contingency this Govt would be compelled, in accordance with its well-established policy, to favor permitting Siam a full and fair hearing. Once the question is formally placed on agenda of Security Council it is impossible to foresee what ultimate consequences may be. In the circumstances, it seems to us clearly in best interests of France as well as of general world situation, that immediate steps be taken by French Govt to prevent the situation from getting out of hand and assuming an importance which it does not intrinsically possess. We feel that a statement on French initiative along the suggested lines would do much to counteract recent exaggerated Siamese statements and thereby lessen likelihood of matter becoming an issue before U.N.

Rptd to London as 4585 with request that effort be made to persuade Brit Govt to make similar representations to Paris. Reptd to Bangkok as 478 for information.

BYRNES

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892.014/6-1146

*Memorandum of Conversation, by the Chief of the Division of Southeast Asian Affairs (Moffat)*

[WASHINGTON,] June 11, 1946.

Konhi called at my office and inquired whether the United States would support Siam if it brought its dispute with the French over the territories acquired by Siam in 1941 before the Security Council under Article 35 (2). I replied, as his Government had already been informed, that this Government would support a fair discussion of any dispute brought by any nation before the Security Council, but that obviously I could not state what action in the Security Council this Government or the Security Council itself would take. I pointed out that there was the further complication which undoubtedly would be raised by the French Government that France and Siam were at war and that while I believed that that argument would not alter the American position that there should be fair discussion, other countries on the Security Council might, of course, give weight to the argument.

Konhi then raised the question whether it was necessary to return the territories to France before bringing a dispute. I stated that obviously there was no such legal requirement, but I thought that their position would be stronger if they had done so because the Security Council might take the position that they would not as a matter of policy wish to pass on the merits of the claims of a country which was holding territory as a result of aggression because to do so might be construed as putting a premium on aggression. The situation, I



explained, might be similar to equity procedures where the plaintiff is expected to come into court "with clean hands".

Konthi then stated that he did not consider that the territories had been acquired by aggression; that negotiations were in progress with the French when border incidents took place; that after these had been smoothed over negotiations were resumed and the French Government ceded part of the territories which Siam considered properly theirs. I inquired if it was not a fact that Siamese troops in fact had occupied these territories. He stated that Siamese troops had occupied part of the territories in order to put a stop to these border incidents. I reiterated the reasons why the American, British and French Governments did not recognize the transfer of the territories to Siam.

Konthi then raised the matter of the payment made by Siam to the French under the agreement with the French Government. The treaty called for a payment by Siam of six million piastres in installments and Konthi stated that already one-half had been paid. He inquired whether such payment by Siam did not prove that the Siamese had not acquired the territories by aggression. I replied that such payment did not, in my opinion, change the nature of the acquisition any more than the payment by the United States to Mexico altered the fact that we had actually acquired California, New Mexico and Arizona by a war of aggression. I commented that in my view the payments made by Siam should, of course, be refunded by the French in connection with a return of the territories.

Konthi then stated that although the Siamese do not consider that there had been acts of aggression by them, they did recognize the British and American viewpoints that they had secured these territories with the aid of Japan and that no country should benefit by Japanese action. Admitting therefore that they had no right to the territories they wanted to have decided by the United Nations to whom the territories properly should belong because they did not believe that the territories properly belonged to France. I replied that before the war we recognized French sovereignty over all the territories of French Indochina and that by not recognizing the transfer to Siam we still considered France *de jure* the sovereign of the disputed territories. Konthi explained that the Siamese Government did not feel for either internal reasons or because of its relations with the Laos and Cambodians who were struggling for freedom from the French that Siam could voluntarily on its own initiative return the territories to France. They were therefore, he implied, seriously considering putting the entire issue as to the disposition of the territories to the United Nations so that the request to return the territories to France would be a collective one which the Siamese Government and people would accept and not a unilateral demand by France.



Speaking purely personally and emphasizing that I was speaking only personally, I stated that my interest is in arriving at a frontier which would really be acceptable to the peoples concerned in the area taking into consideration all appropriate factors such as economic geography; that I thought any attempt to settle the dispute on purely legal or historic claims would not in fact necessarily produce conditions of peace; that on an adjudication of the legal claims I thought the French view would be upheld; that I thought their respective historic claims relatively immaterial as I was concerned with peace in the future and not happenings in the past. I would like to see, I explained, an international commission, probably appointed by countries having no interest in Southeast Asia such as Switzerland and Sweden, work out realistically a sound border; that I had no idea, however, what policy our Government or the United Nations or the French would pursue.

A[BBOT] L[OW] M[OFFAT]

892.014/6-1146 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, June 11, 1946—6 p. m.  
[Received June 12—5:50 a. m.]

2810. In view sudden death King of Siam<sup>87</sup> and apparently confused political situation, would not it be expedient to delay approach to French (Dept's, 2749, June 8)?<sup>88</sup> British Embassy here has received no instructions re simultaneous action.

I doubt if French would be willing before disputed territories are retroceded to issue any worthwhile statement and there would be much better chance of our persuading French to consider adjustments if we were first able to persuade Siamese to return unconditionally territories in dispute.

Sent Washington 2810, repeated London 404.

CAFFERY

892.014/6-1246 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

BANGKOK, June 11, 1946—4 p. m.

URGENT

[Received June 12—1:50 p. m.]

652. Colonel Law returned today from northeast frontier where situation is quiet for present. British observer remaining there tem-

<sup>87</sup> On June 9.

<sup>88</sup> In telegram 2818, June 12, the Department directed Mr. Caffery to withhold action on telegram 2749 until it was learned whether the British would associate themselves with United States representations to France (892.014/6-1146).

porarily. Dept's representations in Paris seem to have had most salutary effect. During Law's first meeting with French at Vientiane they were wholly uncompromising, taking position Siamese must comply with certain demands and that any Annamite incursions from Siamese side would meet with immediate armed reprisals. Day or two later General Leclerc visited Vientiane and thereafter French attitude became much more conciliatory. Since this is not representative of Leclerc's normal bent of mind, it may be presumed he was acting under instructions from Paris.

First meeting between French and Siamese local authorities in this area was held Nongkhai June 10 attended by US and British observers and was on whole friendly and fruitful. Agreement reached on some points and Governor of Nongkhai returned to Bangkok to obtain Govt's consent to others, principal of which are return to French of arms and property carried into Siam by Annamites and reopening of frontier to permit French to purchase food on Siamese side. There were no important incidents during week Law on frontier. He feels that situation had definitely improved but will continue unstable and unpredictable as long as there remain on Siamese side thousands of Indochinese refugees whom Siamese with meagre forces at their disposal cannot disarm or control.

British Minister has recently sent to Foreign Office two telegrams (which he showed me) urging in strongest terms that His Majesty's Govt take prompt steps to expedite settlement Franco-Siamese controversy. He pointed out that, while question may seem minor, at moment, it may at any time be magnified into major issue either by forcible seizure by French of disputed territories (British in Saigon report hardening of temper there) [or] sponsorship of Siam's case before UN by either China or Russia, thereby raising issue of imperialist west against colonial east. Minister therefore recommended prompt action along lines joint recommendations set forth my telegram 488, May 8.

Siamese Govt is actively preparing case for presentation to UN under section 35 (2) though it is still undecided whether case will concern only frontier incidents or will also deal with disputed territories. Prince Wan Waithayakon, former adviser to Foreign Office and now Senator, may be sent to New York to conduct case.

We have just seen Deptel 478, June 8<sup>89</sup> and consider it excellent step. If French, however, refuse to issue statement along desired lines, we see no alternative but return to above mentioned joint recommendations. We agree with Dept's view (Deptel 458, June 4) that border incidents alone do not warrant Security Council consideration but believe on other hand that question of disputed territories, unless

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<sup>89</sup> This was a repeat of telegram 2749 to Paris, p. 1016.

prompt agreement can be reached between French and Siamese, does warrant such consideration.

Please repeat to AmEmbassies London and Paris.

Yost

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892.014/6-1446: Telegram

*The Ambassador in the United Kingdom (Harriman) to the  
Secretary of State*

SECRET

LONDON, June 14, 1946—7 p. m.

US URGENT

[Received June 14—4:11 p. m.]

5970. Wilson-Young<sup>90</sup> has given us long memorandum regarding French-Siamese border dispute which also deals with Siamese letter to UN and Siam's application for membership United Nations. Following is summary of memorandum:

1. It begins by pointing out that undoubtedly in recent incidents faults have been on both sides. FonOff recognizes any Siamese Govt would meet with strong adverse reaction from public opinion if it were to retrocede disputed territories but that at same time French can justifiably complain Siamese Govt have deliberately procrastinated in hope of making bargain out of what should be unconditional return of territories received at hands of Japs.

2. His Majesty's Govt is in full agreement with previously expressed US view that British and US representatives in Bangkok should jointly urge upon Siamese immediate retrocession of territories. British Minister, Bangkok, has therefore been instructed to approach Siamese Govt accordingly as soon as his US colleague receives similar instructions. Thompson has further been instructed to emphasize that unless territories are restored without delay, Siamese will find themselves in false position if and when their candidature fortune [for the UNO?] comes up for consideration. Meanwhile French and Siamese Govts should make further efforts to reach mutually satisfactory solution of problems created by retrocession. In regard recent incidents Thompson is to express hope of His Majesty's Govt that Siamese Govt will continue to maintain its present policy of restraint and will make every effort to exercise effective border control.

3. Regarding suggested approach to French Govt, His Majesty's Govt feels in view latest French *démarche* in London and Washington<sup>91</sup> it might be preferable in first instance to approach Siamese

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<sup>90</sup> Ian A. D. Wilson-Young, Head of the South-East Asia Section, British Foreign Office.

<sup>91</sup> See note of June 3 from the French Embassy, p. 1010.



along lines indicated paragraph two above and that thereafter French Govt might be informed of representations made to Bangkok and might be advised from their own point of view to clarify their position publicly along lines suggested Dept's 4585, June 8.<sup>92</sup> At same time it might be intimated to France that if it wishes to avoid reference of boundary dispute to UN it should do all it can to make it possible for Siamese Govt to justify restitution of disputed territories before Siamese public opinion.

4. His Majesty's Govt hopes therefore that Dept may be willing to instruct Yost to make parallel approach with Thompson to Siamese Govt along lines indicated paragraph two and meanwhile to instruct US Ambassador, Paris, to defer approach to French until after representations have been made at Bangkok.

5. His Majesty's Govt has also been considering its attitude towards Siamese appeal to Secretary General of UN and towards memo Siamese Chargé, Washington, has sent Lie setting out in detail Siamese complaints against French authorities in Indochina. Lie has also received letter from Siamese Foreign Minister expressing earnest desire Siam to join United Nations and inquiring whether Siam might be admitted in near future.

6. Cadogan<sup>93</sup> has reported he understands Lie does not at present propose to invite consideration by Security Council of Siamese Premier's appeal and that appeal has been circulated to members of Council to give them chance of expressing their views. His Majesty's Govt feels best course would be for Lie to make purely formal acknowledgment of appeal and to memorandum from Siamese Chargé and Cadogan has been instructed to consult his US Colleague on this basis. In view evident desirability of British and US representatives adopting similar attitude, His Majesty's Govt trusts US Govt may be willing to send parallel instructions to its Security Council representative.

7. In regard Siam's application for UN membership, His Majesty's Govt are authorizing Thompson to inform Siamese Govt that while His Majesty's Govt would be happy to support Siam's application it would advise Siamese not to press for immediate consideration of their application which in present circumstances would certainly be blocked by France.

Sent Dept 5970; repeated Paris 457 for the Secretary and Embassy.

HARRIMAN

<sup>92</sup> This was a repeat of telegram 2749 to Paris, p. 1016.

<sup>93</sup> Sir Alexander Cadogan, British Representative at the United Nations.

892.014/6-1846: Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

SECRET

US URGENT

BANGKOK, June 18, 1946—noon.

[Received June 19—6 a. m.]

684. British Minister has received instructions from London to associate himself with me (if and when I receive similar instructions) in urging Siamese: (1) to make immediate retrocession of disputed territories and (2) to take measures to control Indochinese refugees along frontier. He is also instructed singly to suggest to Siamese (3) that it [would be unwise]<sup>94</sup> to apply for membership in UN at this time when French are certain to blackball them; and (4) that frontier incidents not be formally brought before Security Council. London adds that Dept is withholding representations outlined Deptel 478, June 8<sup>95</sup> pending consideration this new line of approach.

We believe that all these points are in accord with Dept's policy. We are certain, however, that Dept realizes that to ask these 4 vital concessions from Siam without offering any return whatsoever: (1) would create most unfortunate impression here, to some extent prejudicing all progress we have made in last 9 months, and (2) would probably fail to produce concessions sought. We believe it essential that, if action of this kind is to be required of Siam, she be offered simultaneously some *quid pro quo* such as French statement along lines Deptel 478, or Anglo-US agreement to assure fair hearing of whole problem by UN after territories are returned. Otherwise we think it likely Siam will continue to resist our pressure, will present case to UN and will seek Chinese and Russian support. . . .

British observer on southeast frontier reports two raids by small squads French troops on Siamese villages 15 and 16 June. One villager seriously wounded, some damage and looting.

YOST

892.014/6-1946: Telegram

*The Chargé in Siam (Yost) to the Secretary of State*

BANGKOK, June 19, 1946.

[Received June 19—6:56 a. m.]

692. Govt yesterday sought and obtained from joint session Parliament by vote 122 to 4 authority to submit Indochina frontier question to UN and accept in advance obligations of pacific settlement stipulated Article 35 Charter. Govt made clear decision by UN regarding

<sup>94</sup> Insertion based on copy in Bangkok Legation files.<sup>95</sup> See telegram 2749 to Paris, p. 1016.

either frontier incidents or disputed territories would be binding on Siam, and Parliament, with this understanding, approved submission of either or both questions UN. Prime Minister announced Siamese delegation proceeding shortly to UN headquarters and asked opposition participate in delegation.

Yost

892.014/6-1946 : Telegram

*The Chargé in Siam (Yost) to the Secretary of State* <sup>96</sup>

BANGKOK, June 19, 1946.

[Received June 20—12 :05 a. m.]

693. Deptel 472, June 7. In reply to President Truman's message Prime Minister requests there be conveyed to President his appreciation for action taken by President and US Government to insure return of peaceful conditions on Siamese Indochina border. Prime Minister assures President that his government will continue to adhere firmly to peaceful policy they have been steadfastly following, and as a result preventive measures have already been ordered and such other measures as necessary will be taken to further return of peaceful conditions so fervently desired by government and people of Siam.

Yost

892.014/6-1446 : Telegram

*The Acting Secretary of State to the Ambassador in the United Kingdom (Harriman)*

SECRET

WASHINGTON, June 22, 1946—2 p. m.

4914. 1. In view Siamese decision submit Indochina frontier question UN accepting in advance obligations pacific settlement US believes no further approach regarding return of territories should be made. Bangkok being instructed <sup>97</sup> not to join with Brit Min (urtel 5970, June 14). You may inform FonOff that Dept had already reached conclusion that steps proposed would not produce results desired and would only create adverse sentiment which might have serious practical consequences unless approach to French along lines Deptel 4585, June 8 <sup>98</sup> were made at same time.

<sup>96</sup> A summary of this telegram was sent to President Truman by Acting Secretary of State Acheson in a memorandum of June 27, 1946.

<sup>97</sup> Telegram 521, June 22, 2 p. m., not printed; it noted that the Department fully concurred in the views set forth in Bangkok's telegram 684, June 18, p. 1024.

<sup>98</sup> This was a repeat of telegram 2749 to Paris, p. 1016.



2. Accordingly Dept instructing Paris<sup>99</sup> not approach Bidault and is orally informing French Emb<sup>1</sup> in response French note that on May 31 Am Chargé in conversation with FonMin reiterated US policy on disputed territories and that President June 7 in response PriMin's personal message of May 27 telegraphed in part "American Ambassador at Paris has called attention of French Govt to border incidents and has urged all possible steps be taken avoid further incidents Siam-Indochina border which might create misunderstanding. I take this opportunity urge you likewise do all in your power control any unruly elements on Siamese side of border which might endanger peaceful conditions."<sup>2</sup>

3. PriMin replied President that Siam would continue adhere firmly peaceful policy, preventive measures have already been ordered and such other measures as necessary will be taken to further return peaceful conditions so fervently desired by Govt and people of Siam.

4. Bangkok reported June 18<sup>3</sup> that Brit Min instructed acting alone urge Siamese not apply membership at this time because of certain French veto and also urge Siamese not bring border incidents before SC. Dept unwilling offer Siamese advice on membership application, but Bangkok instructed indicate to Siamese that on basis information received own observers and in light subsequent Siamese and French assurances that all efforts will be made to prevent border incidents Dept considers border incidents would appear not warrant presentation SC as a dispute and to be irrelevant issue of disputed territories.

5. Dept's views membership question follows separately.<sup>4</sup>

6. Sent London. Repeated to New York.

ACHESON

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892.014/6-1946: Telegram

*The Acting Secretary of State to the Acting United States Representative at the United Nations (Johnson)*

CONFIDENTIAL

WASHINGTON, June 22, 1946—4 p. m.

105. For Herschel Johnson. (1) Our attitude toward supporting Siamese application<sup>5</sup> will depend in large measure on what action

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<sup>99</sup> Telegram 3017, June 22, 2 p. m., not printed.

<sup>1</sup> See memorandum by the Acting Assistant Chief of the Division of Western European Affairs, June 24, p. 1028.

<sup>2</sup> For full text of President Truman's response, see p. 1016.

<sup>3</sup> Telegram 684, p. 1024.

<sup>4</sup> See telegram 105 to New York, *infra*.

<sup>5</sup> For membership in the United Nations.

Siamese take with respect to settling question of disputed areas (as distinguished from question of border incidents). We will vote for Siamese admission in any case if the British vote for it. However, our former position, as expressed in paper dated April 19<sup>6</sup> in Membership book, is qualified to the extent indicated below.

(2) The Siamese Parliament has authorized the reference of either the question of the disputed areas or the question of the border incidents or both to the SC or the GA. (See Bangkok's 692 dated June 19). If the Siamese bring the question of the disputed areas to the attention of the SC or the GA and specifically accept in advance the obligations of pacific settlement provided in the Charter, we will vote for their application for membership.<sup>7</sup> We would actively support it, of course, in the now unlikely contingency that they retrocede the disputed areas on their own initiative with or without reference to UN.

(3) Under either of the above circumstances we feel we should seek to dissuade the French from vetoing application. However, until the Siamese have referred the question of the disputed areas to UN or unless they have already retroceded territories, we feel action on the application should be postponed and we believe British would hold same view.

(4) For your information, in conversation on June 19 here at Dept with Konthi, Siamese representative, Konthi stated his understanding was that both question of disputed areas and question of border incidents would be submitted as an entirety to the UN. He did not know how soon the dispute would be submitted but expressed the view that it would not be submitted by the Legation before the delegation arrived. Konthi hopes to arrange for letter of May 20<sup>8</sup> not to be considered as application and to submit formal application simultaneously with presenting dispute. See in this connection memorandum of conversation dated June 19,<sup>9</sup> which has been forwarded to you. Sent New York. Repeated Paris, London and Bangkok.

ACHESON

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<sup>6</sup> No. SD/S/132, not printed; it stated that "The Department will favor Siam's application for membership in the United Nations in accordance with the United States' general position toward membership applications during coming Security Council meetings." (501.AA/4-1946)

<sup>7</sup> This position was conveyed verbally to the Siamese Chargé on July 3.

<sup>8</sup> From the Siamese Minister for Foreign Affairs to the Secretary General of the United Nations; see footnote 70, p. 1006.

<sup>9</sup> Memorandum by Mr. Moffat, not printed.

892.014/6-346

*Memorandum by the Acting Assistant Chief of the Division of  
Western European Affairs (Wallner)*

[WASHINGTON,] June 24, 1946.

Subject: Note No. 358, June 3, 1946, from French Embassy concerning border incidents on the Mékong River and the disputed Cambodian and Laotian provinces

This note sets forth at some length the French case on the recent incidents on the Mékong River, which separates Siam from French Indochina. It then requests this Government to intervene "with all its authority" and to urge the Siamese Government

- 1) To take all measures to restore order on the frontier;
- 2) to return, without more ado, the disputed provinces to Laos and Cambodia.

Reply to this note was delayed pending agreement both within the Department and with the British, on measures to be taken in the light of the Siamese moves toward application for membership in UN and probable Siamese decision to submit the disputed provinces question to the Security Council. At one time a *démarche* by Mr. Caffery to M. Bidault was contemplated (Deptel 2749, June 8) but later abandoned because outstripped by events.

It was then decided in consultation with SEA to inform orally the French Embassy that we had complied with the requests contained in the French note as follows:

1) On June 7 the President cabled (Deptel 472 to Bangkok <sup>9a</sup>) the Siamese Prime Minister and urged (a) that all possible steps be taken to avoid further incidents on the Siam-Indochina border which might cause misunderstanding; (b) that the Prime Minister do all in his power to control any unruly elements on the Siamese side of the border which might endanger peaceful conditions.

2) On May 31 the American Chargé d'Affaires at Bangkok informed the Siamese Government (for the fifth or sixth time) of our view that Siam's present occupation of the disputed provinces was illegal and that they should be returned to Indochina.<sup>10</sup> This *démarche* was made before the receipt of the French note, and we did not consider it necessary to repeat it.

After reiterating the basic American position on the disputed provinces, I so informed both M. Wapler, Counselor, and M. Winckler, First Secretary.

W[OODRUFF] W[ALLNER]

<sup>9a</sup> See footnote 82, p. 1016.

<sup>10</sup> See telegram 585, May 31, p. 1009.



S92.014/6-2846

*Memorandum of Conversation, by the Assistant Chief of the Division  
of Southeast Asian Affairs (Landon)*

[WASHINGTON,] June 28, 1946.

In the course of a conversation Mr. Winckler referred to the proposed French-Siamese Agreement, a copy of which had been provided the Department by the French Embassy on April 25,<sup>11</sup> and to the Department's oral comments made to an officer of the Embassy on May 9.<sup>12</sup>

Mr. Winckler stated that his Government was willing to accept the Department's proposals if the United States Government could guarantee that Siam would return the disputed areas, but that without that guarantee his Government felt unable to make any alterations in the proposed terms.

I said that our position in regard to the disputed areas had been reaffirmed several times to Siam but that we could not guarantee the actions of another Government.

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501.AA/6-2846 : Telegram

*The Acting Secretary of State to the Acting United States Representative at the United Nations (Johnson)*

SECRET

WASHINGTON, June 28, 1946—7 p. m.

114. Following is the information for use in discussing Siam with the French (reference paragraph 10 of long membership telegram of today's date <sup>13</sup>).

The American position as set forth on various occasions to both the French and Siamese Governments is that we do not recognize the validity of the transfer of the Indo Chinese territories acquired by Siam on May 9, 1941. We feel, therefore, that the Siamese occupancy of the areas is invalid and that they should be retroceded. This, however, is not to be considered as passing upon the merits of the pre-1941 frontier, concerning which we have an open mind. We entertain the hope that a final settlement, mutually agreeable to France, Cambodia and Siam and which will remove once and for all the age-old causes of friction in that area will be arrived at through peaceful procedures. As the French Government has been informed, we have told the Siamese on several occasions that they should return the territories.

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<sup>11</sup> See telegram 336, May 1, 7 p. m., to Bangkok, p. 989.

<sup>12</sup> See memorandum by the Chief of the Division of Southeast Asian Affairs, May 9, and annex thereto, p. 994.

<sup>13</sup> Telegram 115, June 28, 7 p. m., to New York; its paragraph 10 stated: "During discussion our position on Siam should be outlined. This obviously will present difficulties in French talk. A separate telegram [No. 114] contains our suggestions." (501.AA/6-2846)

These admonitions have been without effect, and it now appears that the Siamese Government will not return them pending submission of the whole question to the Security Council. The Siamese also plan to submit an application for membership, concurrently we believe, with the submission of the whole question.

Had the membership application been submitted without any move on the part of the Siamese Government to retrocede the territories or seek a solution through U.N., this Government would have favored the postponement of consideration of the Siamese application for membership until such a move had been forthcoming. We should have preferred to make retrocession of the territories the condition of our support of Siamese membership. In view of the fact, however, that certain members of the Security Council are bound by treaty to vote for Siam's membership<sup>14</sup> and as Siam's legislature has approved the submission of the whole problem to the United Nations, agreeing in advance to accept its verdict, we are of the opinion that an affirmative vote on our part is justified. While this Government fully understands the reasons which at first sight might motivate the French to veto Siam's membership application, we hope that upon further consideration of this matter, including the present political and economic situation in South East Asia, the French Government will find it possible to avoid the use of its veto power.

You should say in conclusion that the frequently reiterated position of the United States described above will be our position in the Security Council.

The objective on Siam in your talk with the French should be to attempt to dissuade them from exercising a veto should a Siamese application come before the Council under the circumstances outlined. You will note in our 105 of June 22 we spoke of Siam agreeing to accept in advance the obligations of pacific settlement of the Charter. We meant to include in that term agreeing in advance to accept and carry out decisions of the United Nations on this matter. If you think there is any question in Cadogan's mind on that point we would suggest you clarify our position with him as indicated.

Repeated to Paris for information and appropriate action.<sup>15</sup>

ACHESON

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<sup>14</sup> In Article 22 of the Singapore Agreement, January 1, 1946, the United Kingdom undertook to support Siam's candidacy for membership in the United Nations.

<sup>15</sup> In telegram 3216, July 2, 8 p. m., the Department notified the Ambassador in France that Mr. Johnson and the Department had informed the French delegation at the United Nations and the French Embassy, respectively, of the views set forth in telegram 114 and authorized him, at his discretion, to impart these views orally to the French Foreign Office (501.AA/7-246). The views of the Department on Siamese submission of the disputed areas question to the United Nations and the Siamese membership application were conveyed to the Siamese Chargé on July 3 (memorandum by Mr. Landon, filed under 501.AA/7-346).

501.AA/7-346

*Memorandum of Conversation, by the Assistant Chief of the Division  
of Southeast Asian Affairs (London)*

[WASHINGTON,] July 10, 1946.

In the course of a conversation Mr. Bhakdi informed me that Mr. Konthi Suphamongkhon, personal representative of the Prime Minister of Siam, had gone to New York and informed Mr. Lie of the United Nations that the initial letter<sup>16</sup> inquiring about membership in the United Nations should not be considered as an application,<sup>17</sup> and that a later communication formally applying for membership would be sent from Bangkok. Mr. Bhakdi said that this was done partly because the Siamese had not intended that letter to be an application but an inquiry and feared that some member of the United Nations might question its validity; and partly because they feared that, as they had not yet brought the disputed areas question before the Security Council, the French would probably veto their membership. Mr. Bhakdi concluded that he feared that Siam would not be able to become a member of the United Nations for another year.

I asked Mr. Bhakdi why it was not possible for his Government to telegraph two communications to the United Nations—one submitting the question of the disputed areas before the Security Council accepting in advance all obligations of a peaceful settlement, and the other applying for membership formally in the United Nations. I said that it seemed to me that in this way it would be possible to bring officially before the United Nations both the question of the disputed areas and their request for membership before July 15.

Mr. Bhakdi asked whether the question of the disputed areas could be raised by telegram. I said that I could not speak with authority but it seemed to me that it could be done.

Mr. Bhakdi said that, as I knew, the Siamese Government was very anxious to do both of these things and that he would telegraph his Government immediately requesting that both matters be put before the United Nations formally by July 15.<sup>18</sup>

<sup>16</sup> Of May 20.

<sup>17</sup> In a letter of July 11, Konthi Suphamongkhon requested Arkady Alexandrovich Sobolev, Acting Secretary General, United Nations, to postpone submission of the letter of May 20 to the Membership Committee until he received further instructions from Bangkok; for text of the letter of July 11, see SC, *1st yr., 2nd series, Suppl. No. 4*, p. 46.

<sup>18</sup> The substance of this memorandum of conversation was sent to Bangkok in telegram 571, July 10, 6 p. m., which also authorized Mr. Stanton to urge the Siamese Government to expedite both communications to the United Nations by July 15. Mr. Stanton was also informed of the Department's fear that the French would veto the Siamese application for membership if the question of the disputed areas were not submitted. (501.AA/7-1046) In telegram 800, July 12, 3 p. m., Bangkok reported information from the Siamese Foreign Office that the question of the disputed areas would be submitted to the United Nations and then application for membership would be made (501.AA/7-1246).



751G.9215/7-346 : Telegram

*The Acting Secretary of State to the Minister in Siam (Stanton)*

SECRET

WASHINGTON, July 11, 1946—2 p. m.

U.S. URGENT

572. 1. Coincident with urtel 769, July 3<sup>19</sup> Dept reaffirmed US position to Siamese Leg concerning disputed areas emphasizing US belief Siam before submitting case should retrocede areas and declare Agreement May 9, 1941 invalid. Siamese Leg stated difficult retrocede areas because internal political situation Siam and inquired US reaction if Siam declared Agreement May 9, 1941 invalid when submitting case. Inform FonOff Dept prefers both retrocession and declaration.<sup>20</sup> (See urtel 779, July 6<sup>21</sup>). As a minimum you should attempt to secure declaration which would at least clarify issues and improve Siam's position with UN.

2. Dept stated that as Siam preparing submit disputed areas to UN, agreeing in advance accept and implement decisions UN, US justified voting affirmatively on Siam's application membership UN. For further info membership see Deptel 571, Jul 10.<sup>22</sup>

Sent Bangkok. Repeated London, Paris[, New York].

ACHESON

501.BC/7-1646 : Telegram

*The Acting United States Representative at the United Nations  
(Johnson) to the Secretary of State*

URGENT

NEW YORK, July 16, 1946—12:05 p. m.

[Received July 16—11:32 a. m.]

424. A copy of the following letter from Mr. L. D. Bhakdi, Siamese Chargé d'Affaires, to the Secretary-General, dated 15 July, 1946, was received by the delegation from the Secretariat today:

"Sir, In conformity with instructions received from the Minister for Foreign Affairs of Siam, I have the honour to transmit to Your Excellency the following communication cabled from Bangkok:

'To the Secretary-General of the United Nations.

'Your Excellency: The cablegram from the Prime Minister of

<sup>19</sup> Not printed; it stated: "Cabinet has approved presentation to UNO of whole Indochina frontier question including disputed territories and border incidents. Former will be given principal emphasis. . . . Simultaneously all Siamese diplomatic missions are being circularized with statement expressing hope that all difficulties between Siam and France will be settled by UNO." (751G.9215/7-346)

<sup>20</sup> In telegram 813, July 16, 6 p. m., Mr. Stanton reported that he had strongly urged upon the Foreign Minister the desirability of retroceding areas and issuing declaration (892.014/7-1646).

<sup>21</sup> Not printed.

<sup>22</sup> See footnote 18, p. 1031.

Siam, dated the 25th [27th?] May 1946, addressed to Your Excellency, indicated a state of affairs on the Indochinese-Siamese frontiers which so menaced the maintenance of peace in this area as to cause grave concern to the Government of Siam, a country which is wholeheartedly devoted to the principle of the settlement of international differences by pacific means.

‘As these unfortunate conditions, especially in view of the fact that territorial problems pending between the two countries still remain to be solved, continue to give rise to profound anxiety, the Government of Siam has decided to bring the matter formally to the attention of the Security Council.

‘The Government of Siam, duly authorized by the National Assembly on the 17th June 1946, unreservedly accepts the obligations imposed by Article 35, paragraph 2 of the Charter of the United Nations as a prerequisite to bringing to the attention of the Security Council, for consideration under the pertinent articles of the Charter, those matters in dispute between the Republic of France and the Kingdom of Siam which threaten the preservation of peace between the two countries.

‘The Government of Siam further agrees to accept any solution proposed by the Security Council in regard to immediate matters at issue as well as in regard to all matters, territorial or otherwise, connected therewith.

‘The Government of Siam now formally requests Your Excellency to place the dispute between France and Siam upon the agenda of the Security Council.

‘Accept, Sir, the assurances of my highest consideration, (signed) Direck Jayanam, Minister for Foreign Affairs of Siam, Bangkok, July 11, 1946.’

‘I am also to inform Your Excellency that in connection with the above a Siamese delegation is leaving Bangkok for New York within a few days.’

JOHNSON

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892.014/7-1646 : Telegram

*The Ambassador in the United Kingdom (Harriman) to the  
Secretary of State*

SECRET

LONDON, July 16, 1946—1 p. m.  
[Received July 16—8:13 a. m.]

6718. Wilson-Young has shown us copy message sent to British Embassy, Washington, last night instructing it to approach Dept at once <sup>23</sup> concerning Siamese-French disputes. This message proposes question on disputed territories be submitted to International Court

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<sup>23</sup> The approach by the British Embassy was made on July 16.

rather than Security Council and is in line with French ideas as reported by American Embassy, Paris, in its 3452 [3453] to Dept.<sup>24</sup>

Wilson-Young says British feel strongly this is best solution of matter and they are concerned about reports from Bangkok that Stanton on Dept's instructions has urged Siamese to submit dispute to Security Council at once. Presumably Stanton's action referred to was in response to Dept's 571 to Bangkok,<sup>25</sup> repeated London as 5330. Wilson-Young raised question as to just how Siamese would submit matter of disputed territories to Security Council and will Siamese say "our continued occupancy is a threat to the peace"? If not, under what basis will matter come before Council? British feel Siamese have not thoroughly considered all implications of submitting question to Security Council and that best results for everyone would be for matter to go before International Court.

Sent Dept 6718, repeated Paris 528.

HARRIMAN

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892.014/7-1646

*Memorandum of Conversation, by the Assistant Chief of the Division of Western European Affairs (Wallner)* <sup>26</sup>

[WASHINGTON,] July 16, 1946.

Participants: Mr. Acheson, Under Secretary of State  
Mr. Bonnet, French Ambassador  
Mr. Wallner, WE

The French Ambassador called at his request on the Under Secretary at 3 p. m. today.

He said that although without instructions from his Government he wanted to have a preliminary exchange of views on the situation arising out of Siam's action in presenting her troubles with France to the Security Council. He had just returned from Paris and indicated that the French Government had not yet made up its mind what action to take. He then reviewed the familiar French thesis concerning the disputed provinces: that they were the fruits of aggression sanctified by the convention signed by the Vichy Government under pressure from Japan and that they should be returned to the Indo-Chinese Union.

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<sup>24</sup> Dated July 13, 11 p. m., not printed; it reported that Mr. Baudet had informally and unofficially informed Mr. Caffery that the French Foreign Office was seriously considering submission of the question of the disputed territories to the International Court rather than to the Security Council (892.014/7-1346).

<sup>25</sup> See footnote 18, p. 1031.

<sup>26</sup> Initialed by Mr. Acheson.



Mr. Acheson said we were in general agreement with the French position on this point and had urged the Siamese Government to return the territories.

Mr. Bonnet went on to say that he entertained great doubts as to Siam's right, in French eyes, to bring the question before UN. France considered herself still to be at war with Siam and he wondered if a dangerous precedent would not be set by allowing enemy states to bring their territorial problems to UN. He mentioned Italy, Germany and the Balkan states. Mr. Acheson indicated that we, the British and others, were not at war with Siam and that this complicated the problem. There followed some discussion of Article 107 of the Charter;<sup>27</sup> Mr. Bonnet indicating that he believed it applied to Siam. Mr. Wallner suggested that it might be difficult for us to accept this interpretation and that in any case it was a highly controversial point.<sup>28</sup>

Mr. Acheson asked Mr. Bonnet what plans the French had. Mr. Bonnet was quite vague, admitted that he did not know his Government's position but nonetheless indicated France would and should use every method to prevent the matter from becoming a subject of settlement by UN and to keep the Siamese, as enemies of France, away from the Council table. He did not know how his Government felt about submitting the matter to the Court.

Mr. Acheson made it quite clear that he was opposed to endless disputes on procedural questions and to the use of the veto or other blocking tactics in questions of this kind. He said that this sort of thing was reducing the prestige of the United Nations and solving no problems. He thought there was a problem here to be solved and that it was better to solve it than to talk about it. The 1907 border could not be perfect and probably needed rectification.

Mr. Bonnet said the French had got nowhere in their talks with the Siamese because the Siamese refused to restore the territories first.

Mr. Acheson pointed out that there seemed to be an impasse at the present moment between the two Governments but that it could per-

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<sup>27</sup> Article 107 of the Charter of the United Nations reads: "Nothing in the present Charter shall invalidate or preclude action in relation to any state which during the Second World War has been an enemy of any signatory to the present Charter, taken or authorized as a result of that war by the Governments having responsibility for such action."

<sup>28</sup> The Assistant Chief of the Division of Southeast Asian Affairs (Landon), in a memorandum of July 13 recording a conversation with the Siamese Chargé, stated: "... it seemed to me that the key clause in that Article was '... the governments having responsibility for such action.' In my understanding this meant that an enemy state such as Germany or Japan could not raise the question of a dispute before the Security Council with one of the Allies having certain responsibilities in that state. As France had no responsibilities in Siam growing out of the war, it was difficult for me to see how Article 107 applied." (892.014/7-1346)

haps be resolved if both of them took a less rigid attitude and made up their minds to arrive at a global settlement, all in one piece, involving both restitution of the disputed provinces and the necessary border rectification. He added that this Government would be glad to be helpful in bringing the two parties together and stated that he would welcome a concrete suggestion from the French Government along these lines. Mr. Bonnet leaped at this suggestion and said he would immediately communicate it to his Government. It was apparent that he was most anxious to prevent open discussion of this matter by the UN, where he feared that the French representative would be instructed to employ obstructionist tactics which would be badly received by certain sections of world opinion.

After the Ambassador's departure Mr. Acheson indicated to Mr. Wallner that he hoped that his suggestion would bear fruit and that the two parties could be got together with this Government bringing pressure to bear on both to effect a bilateral settlement. While the responsibility was great, he felt it was a better risk than letting the matter get out of hand in the Council. He indicated that he would not relish the idea of our relations with France being embittered by our voting against France in the Council concurrently with the Peace Conference and the forthcoming discussions on Germany.

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S92.014/7-1946 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom  
(Harriman)*

SECRET

WASHINGTON, July 19, 1946—7 p. m.

5523. US hopes French and Siamese can have further discussion border dispute either with or without outside assistance for purpose narrowing issues between them and disposing of matter without reference to SC by (1) composition their troubles through direct negotiation; (2) reference particular issues to arbitration; (3) settlement certain issues and reference others to International Court. If such settlement with [*without?*] reference to SC proves impossible as we fear to be the case we hope at least there can be agreement on procedures so that matter will come before SC without procedural debate, with temperate statement each side and with prompt recommendation and action by SC in accordance with agreed procedures. US considers procedural objections by France would be injurious French position, harmful UN prestige, and would only delay settlement border issue; while general consideration of issue by SC might permit unnecessary discussion and possible public adoption divergent positions different member countries.

Arrival Siamese delegation Wash to present their case before SC might furnish opportunity for French-Siamese discussions in advance SC consideration. Bidault attitude apparently favoring reference case to International Court and with possibility neutral administration disputed areas pending decision gives us hope agreement at least on procedures could be reached. Basic problem involved would be terms of reference case before Court. Dept not clear on either Brit or French thinking on this point. Do Brit contemplate strictly judicial inquiry into validity 1941 treaty with possibility Siamese might insist on raising validity of earlier treaties or is FonOff considering a procedure under Section 38 Para 2 Court Statute<sup>29</sup> which might raise broader questions and even involve Court in rather complex political issues?

Brit Emb informing FonOff briefly US views and inquiring Brit thinking on terms of reference. Brit Emb suggests it might also be helpful for you to discuss this matter in detail with FonOff and you are requested to do so.

Sent London as 5223. Repeated Paris as 3556, Bangkok as 601, and New York as 144.

BYRNES

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892.014/7-2246 : Telegram

*The Ambassador in the United Kingdom (Harriman) to the Secretary of State*

SECRET

LONDON, July 22, 1946—7 p. m.  
[Received July 22—4:10 p. m.]

6904. We discussed with Allen, SEA Dept, FonOff, this afternoon Dept's question regarding submission to International Court of Franco-Siamese dispute as contained Dept's 5523, July 19, repeated Paris as 3556. Allen said he could not give offhand answer to question regarding terms of reference of case before International Court, and in turn inquired whether or not it is Dept's view that it is incumbent upon Britain and America to designate manner in which case should be submitted to Court. We said that while we had no definite info on this point it occurred to us that if US and UK Govts felt called upon to advise submission of case to Court it would seem logical they should also advise regarding manner of such submission. Allen said he would consult his legal advisers and give us reply later.

We were told that as result of Ashley Clarke's<sup>30</sup> conference with

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<sup>29</sup> For text of the Statute of the International Court of Justice, see Department of State *Bulletin*, June 24, 1945, p. 1134.

<sup>30</sup> British Minister in France.



Baudet as reported in Paris 3537 to Dept,<sup>31</sup> British were again approaching French and stating submission of dispute to Court would not of necessity mean a year's delay in rendering verdict. British are pointing out that statutes of Court provide for disputes to be treated as matter of urgency if both parties agree and also that as Court is new organization it does not have full docket already before it so that unless there is arbitrary delay by one of parties to dispute British see no reason why matter could not be considered at once. British also pointing out to French that article 41 of Court Statute provides that if necessary Court has power to require provisional measures "which ought to be taken to preserve the respective rights of either party". Allen feels that under this article Court might appoint neutral observers who would be present in disputed territory and who could report any action in territory which might be to disadvantage of one or other party to the dispute. He said British were willing to appoint such observer if it should be desired by both parties and inquired whether or not US would be willing to do likewise. British Embassy, Washington, being instructed to give Dept full details<sup>32</sup> this latest British approach to French.

Sept Dept 6904; repeated Paris 542.

HARRIMAN

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892.00/7-1846: Telegram

*The Secretary of State to the Minister in Siam (Stanton)*

SECRET

WASHINGTON, July 23, 1946—7 p. m.

613. 1. French Emb informed Dept July 22 France will oppose hearing Siamese case on ground Art 35 (2) clearly intended exclude ex-enemy states. On other hand as major concession international procedures France willing its differences with Siam be submitted for UN settlement; that issue justiciable and International Court proper organ decide case. French have drawn terms of reference for submission question Court on basis validity 1941 agreement. French will shortly show us terms with request we urge Siamese acceptance, Siamese to be urged in accepting proposal withdraw complaint from

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<sup>31</sup> July 18, not printed; it reported that the French were seriously considering submission of the border dispute to the International Court but were concerned because it would probably take the Court over a year to render a verdict. The French were also reported as setting forth a requirement that, should they agree to the proposal, the disputed territories must not be administered by Siam but by a neutral third party or several neutral parties. (892.014/7-1846)

<sup>32</sup> On July 24, Sir George Sansom, the British Minister, advised that the British Foreign Office would be extremely reluctant to see the principle of *ex aequo et bono* utilized in submitting the dispute to the International Court, believing it should be limited to legal questions regarding the validity of the 1941 Convention (memorandum by Mr. Moffat, filed under 892.014/7-2446).

Council. French believe *mesures conservatoires* necessary for disputed areas pending Court's decision and Ambassador thought France would request US administer areas as conservator. (In conversation with Brit Baudet had suggested possibility US, UK and third country as administrators.) Ambassador agreed request confirmation FonOff his understanding that Franco-Siamese agreement along foregoing lines would include termination technical state of war.

2. Without further instructions do not communicate substance foregoing Siamese, but if not sure that delegation has such powers (urtel 821, July 18, para 2<sup>33</sup>) urge that delegation be given broadest powers negotiate in advance Council meeting in case possibility settlement or procedural agreement with French which might avoid procedural or extraneous discussion.

3. If possible ascertain discreetly what formulas for pacific settlement dispute Siamese have in mind. If opportunity presents ascertain their views on submission case disputed areas to Court. Also with view to narrowing issues (Deptel 601, July 19<sup>34</sup>) endeavor learn what claims Siamese seriously consider valid and will wish to press assuming 1941 treaty invalid.

4. Foregoing sent Bangkok as 613. Repeated London as 5571 and Paris as 3607.<sup>35</sup>

5. London reports Brit approaching French pointing out that Art 41 Court Statute permits Court require provisional measures for preservation respective rights either party. Brit believe Court might under this Art appoint neutral observers in disputed territory to report any action disadvantageous either party. Brit willing appoint such observer if desired both parties.

BYRNES

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892.014/7-2446 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, July 24, 1946—8 p. m.

[Received July 25—10 a. m.]

3631. French-Siamese dispute has been discussed with Ashley Clarke, British Chargé d'Affaires, and Baudet of French Foreign Office. Clarke yesterday informed Baudet that British Government feels there is no reason why International Court should take year or

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<sup>33</sup> Not printed : paragraph 2 stated that Khuang Aphaiwong had agreed to join the delegation pleading the Siamese case before the United Nations if the delegation had full powers to negotiate (892.00/7-1846).

<sup>34</sup> This was a repeat of telegram 5523 to London, p. 1036.

<sup>35</sup> Only paragraphs numbered 1 to 4 were repeated to London and Paris.

more to reach decision, that statutes of Court provide for interim measures pending decision and Court would presumably immediately provide for interim administration of disputed area.

British Government would be glad to cooperate in interim administration with condition that such cooperation should be limited to assignment of few officials who would have no administrative or executive duties but full powers to observe and investigate local administration.

Baudet's comments today on British suggestions were as follows: French experts with experience on former Hague Court feel one year is minimum for decision on Siamese question with considerably longer period required if (as French apparently anticipate) dilatory tactics are adopted by Siamese. Consequently French feel they cannot depend on International Court providing for satisfactory interim administration and must therefore insist that preliminary agreement be reached with Siamese for interim administration. British ideas re collaboration in interim administration are apparently satisfactory to French.

Baudet further indicated French are not prepared to negotiate directly with Siamese delegation in Washington until preliminary agreement in principle has been obtained from Siamese through good offices of US Government re (1) terms of reference to Court and (2) provisions for interim administration of disputed area. After such preliminary agreement in principle has been reached, French will be willing to negotiate directly with Siamese re details.

Baudet confirmed that once agreement had been reached and dispute had been submitted to International Court, normal relations with Siam could be immediately resumed. Furthermore, Baudet specifically stated France would offer no objection to Siam joining UNO and in fact felt admission to UNO would add to prestige of Siamese Government and assist it in obtaining public acceptance of decision of International Court (which French of course expect to be in their favor). (Deptel 3607, July 23 <sup>36</sup>)

Baudet indicated that while French would prefer that Siamese approach to Security Council be withdrawn, they would not insist on this since if preliminary agreement had been reached to submit matter to International Court, Security Council could handle dispute without discussion under provisions of Article 36. (Deptel 3556, July 19 <sup>37</sup>)

Both Ashley Clarke and Baudet feel French proposals for sub-

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<sup>36</sup> This was a repeat of the first three paragraphs of telegram 613 to Bangkok, p. 1038.

<sup>37</sup> This was a repeat of telegram 5523 to London, p. 1036.



mission of dispute to International Court offer prompt method of avoiding possible difficulties in Security Council and of placing French-Siamese relations on normal basis. They expressed hope Dept would support idea and cooperate in discussions with Siamese.

Sent to Dept as 3631, repeated to London as 557.

CAFFERY

892.014/7-2546 : Telegram

*The Minister in Siam (Stanton) to the Secretary of State*

SECRET

BANGKOK, July 25, 1946—noon.

[Received July 26—3 : 27 p. m.]

864. Deptels 572, July 11, and mytel 813, July 16.<sup>38</sup>

1. Have been pressing Department's views regarding retrocession or issuing statement on this point. Had long conversation yesterday with Prince Wan. He intimated after lengthy discussions it has been virtually agreed that statement regarding retrocession is advisable. They have not decided however whether to incorporate statement in brief of case to be presented to Security Council or whether to make oral statement before Council. They are debating which procedure would result minimum publicity which worries them exceedingly.

2. Do not believe Siamese would want matter referred to International Court (Deptel 5523 to London, repeated to Bangkok as 601, July 19) because Court would probably consider only legal aspects of dispute and not political and other factors involved (British Minister and I feel Siamese want Council ruling on retrocession and opportunity work out agreement with French via personal contact at Council meeting. We feel this best hope of solution and that reference to Court would protract dispute indefinitely and perhaps dangerously in view of tension along border and sporadic firing from both sides.)

3. Delegation expects leave July 31 via ATC. Would appreciate Department expediting authorization requested mytel 842, July 22<sup>39</sup> and facilitating on-flight from Manila without delay.

STANTON

<sup>38</sup> Latter not printed, but see footnote 20, p. 1032.

<sup>39</sup> Not printed; it listed as the personnel of the Siamese Delegation to the United Nations Prince Wan Waithayakon, Khuang Aphaiwong, Visutr Arthayukti, Prince Supha Swasti, and Dithakar Bhakdi and requested the Department to arrange ATC authorization to transport the Delegation to the United States (501.BC/7-2246). Prince Wan and Khuang Aphaiwong were Chief and Deputy Chief of the Delegation, respectively; Visutr Arthayukti was Director-General of the Eastern Political Affairs Section of the Siamese Foreign Office, and Prince Supha was Minister at Large.

892.014/7-2746: Telegram

*The Secretary of State to the Minister in Siam (Stanton)*

SECRET

WASHINGTON, July 27, 1946—10 a. m.

NIACT

632. Inform FonOff urgently French have informed us <sup>40</sup> they will very shortly seek US good offices present and urge Siamese acceptance proposals for solution disputed areas problem within UN framework. Details follow soonest but possibly few days delay. Dept generally familiar French proposals and considers them so important it urges Siamese Govt consider them and instruct delegation prior its departure delaying departure if need be. Agreement reached here Siamese complaint will not be placed on provisional agenda SC until Siamese delegation arrives. Short delay will therefore not prejudice Siamese position.

BYRNES

892.014/7-2946

*Memorandum of Conversation, by the Acting Chief of the Division of Western European Affairs (Wallner)*

[WASHINGTON,] July 29, 1946.

Participants: M. Bonnet, French Ambassador  
Mr. Acheson, Acting Secretary of State  
Mr. Moffat, Chief, Division of SEA  
Mr. Wallner, Acting Chief, Division of WE

The French Ambassador called on the Acting Secretary at his request and presented the attached note,<sup>41</sup> which he read aloud, explaining, amplifying, and commenting as he read. Considerable discussion followed resulting in the following conclusions:

1. The Ambassador agreed that the question of the withdrawal of the Siamese complaint from the Security Council was a delicate one to handle and gave the Department full discretion in presenting it in the way best calculated to obtain Siamese concurrence. He pointed out that the note would not make such withdrawal an absolute condition.

2. The Ambassador said that it was safe to assume that French willingness to consider that the technical state of war between itself and Siam had terminated to include its willingness immediately to resume normal diplomatic relations.

<sup>40</sup> On July 26.

<sup>41</sup> *Infra*.

3. The Ambassador said that in his opinion the French Government would be willing at an appropriate time, possibly after a preliminary agreement had been reached with the Siamese publicly to associate itself with the Siamese in a public pledge to avoid future border incidents, provided that such a statement did not imply that France had been responsible for previous incidents.

4. On the subject of interim administration, the Ambassador agreed that we might present at once and without awaiting further word from Paris, a proposal to the Siamese along the following lines: "an administration of the disputed territories under the auspices of a third power or powers which will preserve the rights and prestige of both parties pending the court decision and involving the withdrawal of some top administrative and police officials responsible to the central Government".

At the end of the discussion, Mr. Acheson said that this was a matter of sufficient importance to require consultation with the President and that he would get in touch with the Ambassador in order to inform him of the results of this consultation.

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892.014/7-2946

*The French Embassy to the Department of State*

[Translation]

No. 480

WASHINGTON, July 29, 1946.

The French Embassy in the United States presents its compliments to the Department of State and, with reference to the conversations that have taken place between them on the subject of the Laotian and Cambodian territories annexed by Siam in 1941, has the honor to inform the latter that the petition to be addressed to the Permanent Court of Justice should be drafted as follows:

"Are the convention of May 9, 1941 concluded at Tokyo as a result of Japanese intercession and the annexation by Siam of certain Indo-Chinese territories sanctioned thereunder, valid from the juridical point of view?"

Furthermore, and in conformity with the suggestions of the Department of State, the Court should be invited to determine the sums which the French Government must reimburse to the Siamese Government on account of payments made under the 1941 Convention and for improvements from which the territories in question have benefited by Siamese action under Siamese administration. The Court should



also evaluate the damages caused in these same territories as a result of Siamese occupation.

However, the French Government believes that it is not the Court's duty to determine the measures of safeguard which should be taken while awaiting the Court's decision on these different questions. The French Government requests the American Government to be good enough to act as intermediary between it and the Siamese Government for the purpose of bringing about a preliminary understanding on this subject. What is involved, is not only the safeguarding of movable property in these territories, but also the prevention of any administrative or other initiative likely to provoke artificially a modification of their political or economic situation, such as pressure on the inhabitants or the stimulation of movements of population. The French Government will make known in greater detail its views on the subject as soon as the United States Government has informed it that it agrees to act as intermediary on this point also.

As soon as Siam has agreed to the above mentioned formula for the petition to be presented to the Court and the measures of safeguard whose principle has likewise been set forth, the French Government would be prepared to consider that the state of war has ended between Siam and itself and will not oppose the admission of Siam to membership in the United Nations. It goes without saying that in accepting these conditions the Siamese Government will *ipso facto* give up its appeal to the Security Council.

The French Embassy takes occasion of the present note to renew to the Department of State the assurances of its highest consideration.

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892.014/7-3046 : Telegram

*The Minister in Siam (Stanton) to the Secretary of State*

SECRET

BANGKOK, July 30, 1946—2 p. m.

[Received August 1—6:55 p. m.]

882. 1. Informed Foreign Minister substance Deptel 632, July 27 and told him Department considered French proposals so important believed government should consider them and instruct delegation prior to departure. Above considered at Cabinet meeting this morning and decision reached to postpone departure delegation. This decision arrived at only after much discussion and manoeuvring behind scenes, Foreign Minister having informed me earlier that he and Prime Minister felt delegation should proceed as scheduled.

2. Foreign Minister told me confidentially they had received word from Washington that French intended ask case be referred Inter-

national Court; that Siamese Government would find it "very awkward" to agree to such proposal from the French; that government, Assembly and people were in agreement to submit case to Security Council and that they still want decision by that body. He asked that foregoing be conveyed to Department as from Siamese Government.

It is clear that Siamese dislike idea of agreeing to proposal from French refer case to Court. However, possible it might be willing to do so if following consideration of case by Security Council, the latter ruled that dispute should be referred to Court. Personally I feel that if Siamese, as they appear to be prepared to do, make oral or written statement before Security Council recognizing pre-war status disputed territories, there would not be much point in referring question validity 1941 agreement to Court.

3. Learned from Foreign Minister that, while Siamese hope and will urge some portions disputed territories be returned to them and middle of Mekong River established as boundary, they do not expect any very favorable decision. Their chief concern seems to be that Security Council should render a decision in the premises.

STANTON

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892.014/8-146

*Memorandum by the Acting Secretary of State to President Truman*

WASHINGTON, July 31, 1946.

The French have requested our good offices in presenting and seeking Siamese assent to a proposal to resolve the French-Siamese dispute by referring to the International Court the validity of the 1941 treaty pursuant to which Siam acquired certain territories from Indochina. To preserve the rights and prestige of both countries and to prevent any political or economic action prejudicial to either party pending the Court decision, the French wish Siamese agreement on an interim administration of the disputed territories under third power, preferably United States, auspices. If Siam will agree to these two proposals, France will consider her state of war with Siam terminated, will resume normal relations with Siam and will not oppose Siamese membership in the United Nations. It would be understood that, on reaching an agreement along the foregoing lines, Siam would not press its complaint before the Security Council.

I believe that we should accede to the French request aiding in a peaceful solution of the French-Siamese differences which would avoid the dangers of procedural wrangles in the Security Council and the

taking of possibly divergent public positions by the countries represented thereon.

The French proposal for an interim administration presents some difficulties because the French would like to have all Siamese administrators and police withdrawn and a new administration constituted from the local population under American control. In my opinion this would be totally impractical and I believe the French would be satisfied with the withdrawal, for symbolic reasons, of some top Siamese administrative and police officials. In that event, if both countries so desire, I believe that it would be desirable for you to designate an American, with a small staff, to act as Conservator. Such Conservator should, of course, utilize the existing administrative machinery but have a veto power over any orders of the central government at Bangkok which he considered prejudicial to the interests of either party. He should have power to replace any official who fails to cooperate or work efficiently with the interim administration. And he should also have power to take affirmative action which he might consider necessary to achieve the objectives of the interim administration.

There is attached for your approval, if you concur, a draft telegram to Bangkok outlining the French proposals, giving our reasons for believing that Siam should accept them, and outlining our own willingness to appoint a Conservator if both countries so desire.<sup>42</sup>

DEAN ACHESON

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892.014/S-146: Telegram

*The Acting Secretary of State to the Minister in Siam (Stanton)*

SECRET

WASHINGTON, August 1, 1946—6 p.m.

U.S. URGENT      NIACT

642. Deptel 632, July 27.

1. Inform FonOff urgently French have requested US good offices in presenting and urging Siamese acceptance following proposals in effort settle differences within framework and in accordance spirit UN:

A. Both countries agree submit to International Court question "Are the convention of May 9, 1941 concluded at Tokyo as a result of Japanese intercession and the annexation by Siam of certain Indo-chinese territories sanctioned thereunder, valid from the juridical point of view." Should Court rule treaty invalid Court also to de-

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<sup>42</sup> Approved by President Truman on August 1; for text of message sent to Bangkok, see telegram 642, August 1, 6 p.m., *infra*.



termine what payments France should make in reimbursement payments made by Siam pursuant 1941 Convention and in compensation improvements made during Siamese occupation and to determine payments Siam should make on account damages arising from Siamese occupation.

B. Both countries agree upon an interim administration under third power, preferably US, auspices pending Court decision in order preserve rights and prestige both parties and prevent any political or economic action prejudicial either party. In this connection preliminary French proposal, subject amplification, is Siam should withdraw top Siamese administrative and police officials responsible to Central Govt and an American should be appointed by US as Conservator, presumably with some American staff, and possibly assisted by small group especially appointed Siamese, Cambodian/Laotian and French officials.

C. If agreement with Siam reached on points A and B above France will (a) consider state of war terminated and be prepared immediately resume normal relations with Siam and (b) not oppose Siamese application membership UN.

D. If through United States good offices Siamese Govt agrees in principle to French proposals, France will negotiate and conclude details with Siamese delegation on its arrival Wash.

E. It is understood of course if agreement is reached along foregoing lines Secretary General will be informed and Siam will withdraw its complaint to SC.

2. US has carefully considered French proposals and sincerely recommends Siamese acceptance. It considers following advantages accrue Siam: A. Whole proposal lies within UN framework as Siamese desire and does not involve bilateral determination. B. There will be impartial judicial determination validity 1941 treaty and if this declared invalid a judicial determination on questions of reimbursement and damages. C. Siam need not retrocede territories to France pending Court decision and only then if Court rules treaty invalid. D. Siamese Govt avoids any admission doubt as to validity 1941 treaty. E. Way remains open Siam raise boundary question through UN if treaty is declared invalid and subsequent French-Siamese conversations fail produce agreement. F. State of war with France terminated at once without peace treaty and normal relations with France immediately resumed. G. Known obstacle admission Siam membership UN Sep meeting Assembly eliminated.

Siamese rejection might we believe prejudice Siamese position in world opinion and would weaken Siamese case before SC as indicating Siamese unwillingness accept a procedure peaceful solution con-

templated Art 33. Dept reiterates view border incidents insufficient justify SC consideration, especially in view both French and Siamese pledges use maximum efforts avoid further incidents. We consider disputed territories only immediate basic issue and are now convinced SC would not undertake draft or recommend new boundary. Furthermore serious procedural issues have developed since Deptel 2 to AmPolAd Jan 2. French interpretation Art 35 (2) (Deptel 613, July 23) has not yet been tested. No agreement has yet been achieved in SC on whether determination parties to a dispute requires procedural or substantive vote. Whether in fact there exists a dispute continuance of which is likely endanger peace does require substantive vote. Even if Siam hurdled all these obstacles including possibility of veto at some stage, it is impossible forecast position which members SC would take. Dept believes Siam would gain no more by pressing its case before SC than it would by accepting French proposal. Furthermore, France would doubtless consider state of war continuing until separate peace treaty concluded and Siamese admission UN might be indefinitely delayed.

3. With reference proposed interim administration, if both Siam and France so desire, US in effort effect peaceful solution willing designate an American with small staff to act as Conservator of disputed territories pending Court decision, it being understood both countries would publicly pledge full support and cooperation such administration. Our view is Conservator would of course utilize existing administrative machinery less such top Siamese officials as are withdrawn for symbolic reasons but would have veto power over any orders of Central Govt which he considered prejudicial interests either party. He might replace any official who failed to cooperate or work efficiently with interim administration and he might take affirmative action which he considered necessary achieve objectives of interim administration.

4. Dept believes UN prestige would gain by such agreement for prompt settlement of dispute as result of Siamese complaint. Furthermore, such agreement would avoid possibility difficult and protracted procedural debates which could harm UN which is still formative stage. Dept also considers it important to basic aims UN to minimize possible divergent public positions being taken by SC members and avoid unnecessary or extraneous discussions which might increase international illwill especially during the Peace Conference.

5. For your guidance and use if question raised, Dept without pass-

ing on merits 1907 treaty <sup>43</sup> believes it would be unfortunate to international relations to have challenged validity of a treaty so long existing. It believes rectification of old treaties should be sought by peaceful means basis present considerations; not by challenging historic acts prior generations. It believes Court would feel impelled invoke theory equivalent statute limitations and all nations would oppose reexamination of validity of treaties of long standing. No country has impeccable record and each would fear if one treaty 40 years old were successfully challenged on grounds aggression, other treaties 50 or 100 years old could similarly be challenged.

6. US Govt earnestly urges Siamese Govt agree in principle to French proposals and authorize its delegation negotiate details and conclude agreements with French representatives on its arrival Wash. Reference cases to International Court are always by special agreements called *compromis* setting forth matters for decision. Other proposals should, we believe, be by special agreements or appropriate declarations by appropriate Govts and whole understanding included in joint communiqué issued Wash. US believes such communiqué should also include reiteration of intent both Govts use maximum efforts avoid further border incidents and seek settlement any other or future differences by peaceful amicable discussion.

7. Dept informing Siamese Leg <sup>44</sup> substance foregoing paragraphs (except paragraph 5) in case Chargé desires inform and secure for info his Govt views of Donovan <sup>45</sup> whom Siamese have retained as counsel.

8. Telegraph Siamese decision soonest for transmittal French Govt.

9. Sent Bangkok as 642. Repeated Paris as 3789 with request forward courier London.<sup>46</sup>

ACHESON

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<sup>43</sup> Treaty between France and Siam signed at Bangkok on March 23, 1907, *Foreign Relations*, 1907, pt. 2, p. 1003.

<sup>44</sup> In a memorandum of August 2, Mr. Moffat stated: "Mr. Bhakdi called at my request and I gave him a paraphrase of the pertinent parts of Department telegram 642, August 1, to Bangkok. With reference to the January 2 telegram to Bangkok mentioned therein I explained that that telegram had been sent long before the Security Council was organized and indicated our hope that the Siamese border problem, if submitted to UNO, could be settled on the intrinsic merits of the border question and the desires of the peoples concerned and our belief at the time that under Article 35 France would not be able to block action on a dispute brought by Siam. I stated that I did not know if the views expressed in that telegram had been conveyed to the Siamese Government, but that our views as to possible Security Council action had changed very considerably as indicated in the telegram since its organization and since it had begun to function." (892.014/8-146)

<sup>45</sup> Maj. Gen. William J. Donovan, of the law firm of Donovan, Leisure, Newton and Lombard, New York.

<sup>46</sup> In telegram 5804, August 2, 6 p. m., the Department notified London that a paraphrase of telegram 642, except for paragraphs 2, 4, and 5, had been given to the British and French Embassies (892.014/8-146).



892.014/8-246 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, August 2, 1946—6 p. m.

U.S. URGENT

NIACT

[Received August 2—4:05 p. m.]

3800. Abbott<sup>47</sup> called on Baudet today in connection with Deptel 3789, August 1.<sup>48</sup> Baudet stated he was perturbed re telegram just received from Ambassador Bonnet re his conversation with Mr. Acheson,<sup>49</sup> since Foreign Office's instructions on proposal for submission of Indochinese-Siamese dispute to International Court had apparently not been sufficiently precise.

Baudet stated Foreign Office insists, as matter of principle, that all Siamese administrative and police officials be withdrawn from inter-administration and not merely top officials.

It was pointed out to Baudet that strict interpretation of this principle would presumably paralyze local administration, since it would appear doubtful if any great number of persons of local origin were at present serving in political or police administrations nor would suitable persons of local origin be available for intergration into such administrations. It was further suggested to Baudet that Department's willingness to appoint American conservator was presumably based on assumption that workable local administration and police force would be present.<sup>50</sup>

While Baudet continued to insist that all Siamese officials and police must be withdrawn, he seemed somewhat impressed by above arguments and stated he would obtain more detailed information re organization and makeup of administration in disputed areas before drafting new instructions to Bonnet.

British Embassy here has no information as to whether British Government will support our approach to Siamese as described in telegram under reference.<sup>51</sup>

Sent to Washington as 3800, repeated to London as 577.

CAFFERY

<sup>47</sup> George M. Abbot, First Secretary of Embassy in France.

<sup>48</sup> This was a repeat of telegram 642 to Bangkok, p. 1046.

<sup>49</sup> See Mr. Wallner's memorandum of July 29, p. 1042.

<sup>50</sup> The Department advised Mr. Caffery, in telegram 3840, August 3, 1 p. m., that his reasoning in the third paragraph of telegram 3800 was correct. Mr. Caffery was authorized, at his discretion, to "impress upon Baudet that if this Govt accepts supervision interim administration territories it expects work with existing officials minus only such higher ones as are symbolic central Bangkok authority and can depart without causing administrative chaos. Further French insistence this point beside inevitably incurring Siamese recalcitrance may well cause us withdraw offer". (892.014/8-246).

<sup>51</sup> In telegram 7252, August 5, 4 p.m., the Chargé in the United Kingdom reported that the British Foreign Office agreed that the removal of all Siamese administrative and police officials in the disputed territories was unrealistic and impractical (892.014/8-546).

[In a letter of August 3, 1946, handed to the Acting Secretary-General of the United Nations, the Siamese Chargé communicated the text of a telegram of July 31 from the Siamese Minister for Foreign Affairs making formal application for Siamese membership in the United Nations. The text of the letter is printed in SC, *1st yr., 2nd series, Suppl. No. 4*, page 46. For additional documentation regarding consideration by the United Nations of the application and United States policy relating thereto, see *Foreign Relations*, 1946, volume I.]

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892.014/S-646 : Telegram

*The Minister in Siam (Stanton) to the Secretary of State*

SECRET

BANGKOK, August 6, 1946—5 p. m.

US URGENT

[Received 7:40 p. m.]

908. Deptel 642, August 1.

1. French proposals which were [received] Saturday, August 3 were communicated by me to Prime Minister same day. I explained carefully to Prime Minister Dept's observations as set forth under paragraph 2 and also procedural and other technical difficulties which Dept considers likely arise in consideration of dispute by Security Council. Paragraph 5 not communicated to Prime Minister. Requested Prime Minister to give careful consideration French proposals and inform me if possible before departure of delegation whether govt would agree in principle to proposals. Prime Minister stated because of elections matter could not be considered by Cabinet until morning August 6.

2. Foreign Minister informed me this afternoon Cabinet had considered proposals and had decided to agree to same in principle and had given delegation very broad powers, but that with respect to proposal E regarding withdrawal of complaint from Security Council Cabinet felt this point should be left in "abeyance" until delegation had had time to discuss point with Dept and French. In connection with proposal E, Foreign Minister again referred to authority granted by Assembly to place dispute before Security Council.<sup>52</sup>

3. Foreign Minister said Cabinet and particularly Prime Minister felt proposals were hopeful sign.

STANTON

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<sup>52</sup> The substance of paragraphs numbered 1 and 2 was communicated to the French Embassy in a memorandum of August 7 (892.014/S-746).

892.014/8-546

*Memorandum of Conversation, by the Acting Chief of the Division  
of Western European Affairs (Wallner)*

[WASHINGTON,] August 6, 1946.

Participants: Mr. Henri Bonnet, the French Ambassador;  
Mr. Acheson, Acting Secretary of State;  
Mr. Moffat, Chief, SEA;  
Mr. Wallner, Acting Chief, WE.

Mr. Acheson invited Mr. Bonnet to call in order to discuss the situation created by French insistence on modifying their proposals for the interim administration of the disputed territories. He made two points:

(1) That we had heard through the French Embassy and through our Embassy at Paris,<sup>53</sup> that the French Foreign Office was not satisfied with the proposals for interim administration that he had worked out with Mr. Bonnet and that the French now insisted that they wished all Siamese officials, both administrative and police, withdrawn from the territories. He stated that we were willing to transmit these new French proposals to the Siamese as soon as they were received in writing, but that we could not recommend their acceptance by the Siamese, and that furthermore, we should be obliged to withdraw our offer to appoint a conservator or otherwise participate in the interim administration;

(2) Our Embassy in Paris had gained the impression from talks at the Foreign Office that the latter had become lukewarm to the idea of judicial settlement by the court and might possibly abandon the idea altogether. If this were true, we should like to have it confirmed as soon as possible since we did not wish to continue to use our good offices in support of proposals which the French Government might withdraw. He made it clear that the situation was becoming embarrassing.

Taking up the second point first, Mr. Bonnet said that he had received no intimation that his Government was abandoning the idea

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<sup>53</sup> Telegram 3855, August 5, 9 p. m., not printed; in addition to giving generally the information covered in the two numbered paragraphs of Mr. Wallner's memorandum, it stated: "Baudet said that information had been received that Prince Vanvaidyakorn had approached the British representative in Bangkok with the suggestion that secret and direct negotiations between Siamese and French officials should take place 'in the corridors of UNO' and that if agreement could be reached it should be recognized and proclaimed by the Security Council. In commenting on this, Baudet said that while French would never negotiate with Vanvaidyakorn, who was present at the Tokyo negotiations and signed the treaty for the transfer of the disputed territories, they would probably not refuse to negotiate with a more acceptable Siamese representative, particularly if the proposals for the reference of the disputed territories to the International Court should come to naught." (892.014/8-546) "Vanvaidyakorn" is an alternative transliteration of "Wan Waithayakon".



of judicial settlement. He could confirm, however, that his Foreign Office was insistent concerning the withdrawal of all Siamese police and administrative officers and asked whether we had given any intimation of this to the Siamese. He was informed that we had hesitated to do so since we had not received the proposals in writing and since we were not sure that the French Government realized that we probably would have to withdraw our offer to participate in the interim administration.

Mr. Bonnet then explained that what had particularly disturbed the French Foreign Office had been our views (contained in numbered paragraph 3 of instructions to Bangkok) which appeared to imply that the Central Siamese Government would continue during the interim period to administer the territories subject to the veto of the conservator.

Mr. Acheson said that his understanding of the conservator's function was that he should oversee the administration of the territories on the basis of such existing Siamese laws and regulations as in his opinion were not discriminatory of French rights. He added that we did not interpret this paragraph as meaning that new orders and instructions to local officials in the territories would flow in from Bangkok. Mr. Bonnet said that he imagined that his Foreign Office had placed a different interpretation on this portion of our instructions, but that he would immediately convey to his Government Mr. Acheson's understanding, which he thought would go a long way in clearing up the misunderstanding.

There was further discussion concerning the advisability of our intimating to the Siamese the nature of the new French proposals. It was pointed out that the Siamese Delegation had departed. Mr. Bonnet indicated that he did not feel that we should yet withdraw our offer to appoint a conservator, but expressed the hope that we might alert our Minister in Bangkok as to recent developments. However, he left this to Mr. Acheson's discretion and stated that he would communicate the sense of this conversation to his Government with the hope that something concrete would be forthcoming in the near future.<sup>54</sup>

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<sup>54</sup> This memorandum of conversation was summarized in telegram 3898, August 7, noon, to Paris, which concluded with the following paragraph: "Please attempt ascertain Fr reaction this conversation presumably fully reported by Bonnet, emphasizing we are disturbed apparent Fr dilatoriness and indecision. Siamese acceptance in principle original proposals (Deptel 3895) being communicated Fr Emb here." (892.014/8-546) Telegram 3895, August 7, 10 a. m., gave the text of telegram 908, August 6, from Bangkok, *supra*.

501.AA/S-746: Telegram

*The Acting Secretary of State to the Acting United States  
Representative at the United Nations (Johnson)*

SECRET

WASHINGTON, August 7, 1946—8 p. m.

156. Our attitude toward Siamese application as expressed in our 105 and 114 to you <sup>55</sup> remains substantially the same.

We have since received word from Bangkok (Legtel 908 of August 6 which has been forwarded to you) that Siamese Cabinet has considered French proposals for reference of validity of 1941 Treaty to Court (Deptel 642 to Bangkok, August 1, which has been forwarded to you) has decided to agree to proposals in principle and has given delegation broad powers to seek agreement along these lines. While the question of withdrawing complaint from SC is left in "abeyance" by the Siamese until delegation has had time to discuss this with Dept and with French, and although the French have indicated to us they may make additional proposals, we feel Siamese have thus given additional evidence of willingness to reach pacific settlement. You may in your discretion mention this to the French in supplementing talk with them contemplated in our 114 to you.

In connection consideration Siam's application by Membership Committee it is suggested that initial expression of our attitude be limited to short statement that we consider Siam qualified for membership, avoiding for the present, if possible, any involvement in discussion regarding relevance of complaint submitted to SC by Siam on July 15.<sup>56</sup> Sent New York. Repeated to Paris for information.

ACHESON

892.014/S-946: Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, August 9, 1946—9 a.m.

[Received 1:53 p.m.]

3924. In a conversation last night with Baudet re Department's 3898, August 7,<sup>57</sup> he was much more conciliatory. He said that French would no longer insist on withdrawal of all Siamese officials and, that according to preliminary information received from Laurentie, problem of administration was not as difficult as it first appeared. Before the war the number of French officials serving in the areas in-

<sup>55</sup> Dated June 22 and June 28, respectively, pp. 1026 and 1029.

<sup>56</sup> See telegram 424, July 16, 12:05 p. m., from New York, p. 1032.

<sup>57</sup> Not printed, but see footnote 54, p. 1053.

volved was about 10 (the splitting of provinces makes it difficult to give an exact figure) and this would accordingly be approximately the number of high Siamese officials which would need to be replaced by neutral or local Cambodian officials. Laurentie also believes that there are a number of former minor officials of local origin residing in the area and additional ones who are refugees in Cambodia, who would be available for an interim administration.

With regard to the separation of the disputed areas from Siamese control, Baudet stated that France would not insist on a change in the judicial or monetary system but that some sort of customs control would have to be established at the frontier, since France could not admit that Siam should continue to monopolize the rich resources, particularly the rice. He indicated that some arrangement whereby exportable surplus would be divided between Siam and Cambodia would be satisfactory.

Baudet stated that full information necessary to send new and precise instructions to Ambassador Bonnet should shortly be available. The Department's desire for prompt action on the part of the French was emphasized.

At the conclusion of the above, Baudet again referred to the suggestions of Prince Van Vaidyakorn that direct negotiations between the French and the Siamese in the United States might be a preferable solution (my 3855, August 5<sup>58</sup>). Baudet stated that if the same suggestions were made to the Department by the Siamese delegation after its arrival in the United States, the French would be willing to consider it under the following conditions:

(1) That the negotiations be entirely and completely secret and that no publicity be given them.

(2) That it be agreed in advance by the Siamese that if the negotiations were unsuccessful, the plans for the submission of the dispute to the International Court should be continued. Baudet explained that the French could not admit the possibility of the failure of direct negotiations, leaving the whole affair in an impasse.

In an earlier conversation with the British Minister Counselor who had called to support our views regarding the composition of interim administration, Baudet had apparently not been as conciliatory and had emphasized French insistence on the complete separation of the disputed areas from any Siamese control.

Sent to Dept as 3924, repeated to London as 589.

CAFFERY

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<sup>58</sup> See footnote 53, p. 1052.



892.014/5-746 : Telegram

*The Acting Secretary of State to the Ambassador in France (Caffery)*

SECRET

WASHINGTON, August 9, 1946—8 p.m.

4001. French Emb on instructions despatched prior receipt Siamese acceptance court proposals informed Dept. Aug. 8:

1. French Govt informed Prince Vanvaidyakorn has suggested secret and direct negotiations between Siamese and French<sup>59</sup> with view final settlement outstanding issues and if agreement reached it should be recognized and proclaimed by SC.

2. French Govt prepared to stick by its proposals submit case Int Court. If however Siamese prefer direct negotiations French agreeable following conditions:

(a) Negotiations Wash with Bonnet and Lacoste for French.

(b) No dealings with Prince Vanvaidyakorn but other members delegation acceptable.

(c) If US agrees, continued use US good offices but close liaison also Brit Emb.

(d) Basis negotiations French draft treaty submitted Siamese in Apr modified in accordance Dept observations (Deptel 2231, May 10<sup>60</sup>).

3. French request US views acceptability plan and US good offices in ascertaining whether Siamese delegation desires direct negotiations as above or negotiate in accordance first French proposals.

Dept informed French Emb today US willing ascertain if Siamese delegation disposed and empowered negotiate direct settlement but in view strong American pressure secure Siamese acceptance first French proposals US unwilling initially take more positive action or present details alternative proposals. Willing however extend good offices both sides in aiding settlement whatever procedure both countries decide. Dept also expressed hope French Emb in any negotiations would receive widest latitude to prevent personality problems interfering successful conclusion some agreement.

For your info Dept considers although modified agreement might have offered successful basis negotiations last spring direct settlement unlikely present conditions unless treaty while recognizing invalidity 1941 Convention also includes some border rectifications.

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<sup>59</sup> In a memorandum of the conversation with officials of the French Embassy on August 9, Mr. Moffat noted: "We did state that we concurred with the French view that any such negotiations should be carried on without publicity in Washington rather than in New York and that we had already received assurance from the Siamese Chargé that the delegation would come directly to Washington." (892.014/8-946)

<sup>60</sup> Not printed; it summarized the oral communication handed to the French Minister on May 9, p. 994.

Sent Paris as no. 4001. Repeated London as no. 5953 and Bangkok as no. 674.

ACHESON

892.00/S-1046 : Telegram

*The Minister in Siam (Stanton) to the Secretary of State*

SECRET

BANGKOK, August 10, 1946—9 a.m.

[Received August 11—4:53 a.m.]

928. 1. In view of reports that an uprising was in progress in Angkor-Siemreap area of Cambodia, Military and Naval Attachés<sup>61</sup> flew up there yesterday. They were informed by French military and civil officials whom they contacted that 4[00] to 500 "rebels" composed of Cambodians, Annamites, Japanese and Siamese attacked and occupied town of Siemreap 3 days ago but withdrew after 2 hours. Colonel Vance and Commander Gardes saw evidences of the attack but damage to property appeared light. French rushed troops to area from Saigon and appeared expect further trouble.

2. French officials charged that force which attacked Siemreap and which they claimed was still in vicinity was under Siamese leadership. Attachés were not in position to determine veracity of this accusation. They may return to area next week by arrangement French authorities but in any event will endeavor follow developments and carefully evaluate all information and reports.

Repeated Saigon as 13.

STANTON

892.014/S-1246

*Memorandum of Conversation, by the Acting Chief of the Division of Western European Affairs (Wallner)*

[WASHINGTON,] August 12, 1946.

Participants: M. Bérard, Minister-Counselor of French Embassy  
 M. Wapler, Counselor of French Embassy  
 Mr. Moffat, Chief, SEA  
 Mr. Wallner, Acting Chief, WE

M. Bérard called at his request to communicate new instructions from his Government as follows:

It had been noted in Paris that in its reply to the French proposals concerning the Court, the Siamese Government had expressed a desire

<sup>61</sup> Col. Reginald F. C. Vance and Comdr. Alfred W. Gardes, respectively.

to leave in abeyance the question of the withdrawal of the Siamese complaint from the Security Council until the Delegation had discussed this point with the Department and French representatives. Likewise it had been noted that in the suggestion for direct negotiation and settlement made to the British Minister in Bangkok by Prince Vanvaidyakorn it was contemplated that the conversations should take place "in the corridors of UNO". From these two indications, the Quai d'Orsay had deduced, and wished to forestall, the possibility of a Siamese desire or intention to mix up direct Government-to-Government conversations with the appeal to UNO in the hope of placing pressure on the French Government. Consequently, the latter wished to impress upon us and have us impress upon the Siamese Delegation that the two things must be kept entirely separate, with direct Government-to-Government conversations taking place here in Washington with the maximum discretion prior to any further Siamese move in the United Nations. Otherwise the French Government would feel obliged to invoke Article 107 of the Charter with a view to quashing the Siamese complaint.

The Department's representatives stated that it was their view that the Government-to-Government conversations should take place here without any present reference to UNO and that they believed the Siamese were of the same mind. They agreed, however, to confirm this and also to warn the Siamese to make no premature or indiscreet statements to the press. They added that it was their understanding that the French Embassy and the French Foreign Office would maintain an equal discretion. The French representatives agreed.

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892.014/8-1246

*Memorandum of Conversation, by the Chief of the Division of South-east Asian Affairs (Moffat)*

[WASHINGTON,] August 12, 1946.

Participants: Prince Wan Waithayakon, Head of Siamese Delegation to UN on Franco-Siamese Dispute;  
 Kuang Aphaiwong, Opposition Leader;  
 Luang Visut, Chief of Section dealing with Western Powers, Foreign Office;<sup>62</sup>  
 Prince Kridakara, Secretary to Prince Wan;  
 Konthi Suphamongkhon, Special Representative at UN;  
 Luang Dithakar Bhakdi, Chargé d'Affaires, Siamese Legation;

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<sup>62</sup> Visutr Arthayukti, Director General, Eastern Political Affairs, Siamese Foreign Office.



Mr. Woodruff Wallner, WE;  
Mr. Abbot Low Moffat, SEA.

Prince Wan and the other above named members of the twelve-man Siamese delegation to present the Siamese-French dispute to the Security Council called by appointment at their request.

Prince Wan stated that while the delegation was prepared to negotiate with the French in accordance with the French proposals that the 1941 treaty be submitted to the International Court, they would prefer if possible, because that would take a considerable period of time, to negotiate a direct settlement of all outstanding issues with the French and establish peace and restore really friendly relations with France just as soon as possible. We explained to him that the French understood that the delegation might so wish and had informed us that they were willing to enter into direct negotiations if the Siamese so preferred and that if such direct negotiations failed then to proceed to negotiate in accordance with the proposals which they had made and which the Siamese had accepted in principle.

In the course of conversation Prince Wan stated that the settlement he would like to make would include a complete restoration of the territories to France and then an agreement by France to return all or part of the territories to Siam.

In connection with such settlement Prince Wan and Kuang Aphaiwong pointed out that they recognized that an important problem involved in any restoration of territories to Siam was the matter of French prestige. I added that the French, of course, also maintained that they were obligated to protect Cambodia and Laos and that legally they might not transfer territories of those two countries without their consent. After a brief statement by the Siamese regarding the puppet nature of the governments of those countries Prince Wan, remarking that the French were always a logical people, stated that he was fully prepared with legal arguments on this point.

We asked Prince Wan if the delegation was empowered to conduct direct negotiations with the French. He stated that actually their written authorization at the moment authorized only negotiations with the United Nations, but that there had been an understanding prior to their leaving Bangkok that if they were able to negotiate with the French the delegation would inform the Government and such authorization would be forthcoming. He implied definitely that there would be no difficulties on the score of authority to negotiate with the French.

With reference to the French proposal that Siam withdraw its complaint from the Security Council, Prince Wan pointed out that the Siamese dispute had two points: (1) the border incidents which

had been stressed by the Government; and (2) the disputed territories which had been included rather incidentally. He explained his own view that the former was of relatively minor importance and the main issue was the disputed territories. He felt that great care, however, would have to be taken because of the Parliamentary situation not to lose sight of the border incidents phase of the complaint. He hoped that if the disputed territories went to the International Court, instead of withdrawing the complaint it could be kept alive but not acted upon by the Security Council, and brought up later if need be. There was then general discussion of the complaint, the Siamese making it clear that for domestic reasons it would be necessary that whatever agreement was reached with the French such agreement should be approved by the Security Council. We explained that the French recognized their internal situation and we were quite confident would be agreeable to working out a procedure that would meet their need. The essential problem was to reach agreement with the French and we were confident that the technical problems relating to the complaint could be followed easily. We suggested that quite possibly a joint communiqué might include a pledge by each side to use their maximum efforts to prevent further border incidents. We reiterated the view of this Government that the border incidents did not in themselves warrant Security Council action except possibly the recommendation by the Security Council to both sides to take all possible measures to prevent further incidents and that such a pledge in a joint communiqué might therefore meet the issue. Prince Wan indicated that that might prove acceptable.

With regard to the interim administration, Prince Wan stated that administration of the areas would be simple; that they hoped that all officials brought in would be American; and he believed there would be no trouble. The Siamese had noted that the French proposals included the suggestion that the Conservator might "possibly be assisted by Siamese, Cambodian (or Laotian) and French officials". The Siamese, he explained, would not wish such an arrangement as they did not wish French officials nor did they consider that the introduction of such officials to assist a Conservator would be necessary. He stated that one important problem which such interim administration would raise involved the matter of rice. He pointed out that under the agreement concluded May 1,<sup>63</sup> modifying the Singapore Agreement of January 1, the Siamese were committed to the British

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<sup>63</sup> For documentation see pp. 956-969, *passim*.

to export 1,200,000 tons of rice before May 1, 1947. In agreeing to this figure the Siamese had counted on an exportable surplus of 200,000 tons of rice from the Battambang area. If an interim administration were established (apparently Prince Wan conceded that it would really be detached economically from Siam) he pointed out that it would be necessary to secure some modification of their agreement with the British so as to reduce their pledged figure by 200,000 tons, or make other arrangements to meet this problem.

We indicated our belief that negotiations with the French should be carried on in Washington and that it would be wise for the delegation not to go to New York until such time as the Government-to-Government conversations had been concluded or had failed and that, meanwhile, the less publicity regarding the delegation the better. Prince Wan and the delegation were in complete accord with this point of view.

We stated that the good offices of this Government were available to both the Siamese and French in whatever negotiations the two Governments agreed to carry on. We stated that we would inform the French that the delegation would prefer direct negotiations but that should those fail that the delegation was prepared to negotiate on the basis of the French proposals to submit the case to the International Court to which proposals they had agreed in principle. We explained that M. Lacoste would, we understood, carry on the negotiations for the French and we assumed that the French after we conveyed the foregoing information would shortly get in touch with the Siamese.

When the other members of the delegation had left the room, we advised Mr. Bhakdi that the French had some reservations about dealing with Prince Wan because of his negotiation of the 1941 treaty; how far the French were prepared to go in this regard we did not know but thought that the Siamese should be warned of this situation in advance.<sup>64</sup>

[Later as an easy means of permitting contact between the French and Siamese, the members of the delegation were invited and accepted an invitation to a cocktail party at Mr. Moffat's and a similar invitation extended to Messrs. Lacoste, Bérard and Wapler of the French Embassy with full understanding on both sides that the others would be present. M. Lacoste accepted the invitation the next day.]<sup>65</sup>

A[BBOT] L[OW] M[OFFAT]

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<sup>64</sup> A memorandum by Mr. Wallner, August 12, indicated that the views of the Siamese delegation were given to Messrs. Bérard and Wapler the same day (892.014/8-1246).

<sup>65</sup> Brackets appear in the original memorandum.



892.014/8-1346

*Memorandum of Conversation, by the Chief of the Division of South-east Asian Affairs (Moffat)*

[WASHINGTON,] August 13, 1946.

Participants: M. Francis Lacoste, Minister, French Embassy;  
Mr. Abbot Low Moffat, SEA

On arrival at the cocktail party at my home at which it had been arranged Lacoste and the Siamese delegation would meet, Lacoste informed me that just as he left the Embassy instructions had been received that the meeting with the Siamese and any discussions must be "provisionally suspended" pending clarification of the recent episode at Siem Reap; that apparently this was far more serious than had been supposed, thirty-six people had been killed and four of the attackers had been identified by their papers as Siamese. Lacoste stated at first he felt he should stay away altogether but then decided to carry through as planned and in the morning he would call on me and communicate officially the gist of his instructions.

Lacoste in the course of the party met all the Siamese who were present and talked for more than an hour with Prince Wan Waithayakon.

When he left Lacoste told me that he had violated all his instructions by talking with Prince Wan Waithayakon but had thought it wise to do so. He said that Prince Wan proposed the Battambang area of Cambodia be returned to Siam; that Prince Wan was not interested in the Siem Reap area and was quite willing to let go the Laos territories. Lacoste said that he was convinced his Government would not even consider any such proposal and that he had so stated to Prince Wan Waithayakon.

A[BBOT]L[OW]M[OFFAT]

892.014/8-1446

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*Memorandum of Conversation, by the Chief of the Division of South-east Asian Affairs (Moffat)*

[WASHINGTON,] August 14, 1946.

Participants: M. Francis Lacoste, Minister, French Embassy;  
Mr. Woodruff Wallner, WE;  
Mr. Abbot Low Moffat, SEA.

M. Lacoste called by appointment at his request and handed us the attached note and *aide-mémoire*.<sup>68</sup> The *aide-mémoire* describes the recent incident at Siem Reap.

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<sup>68</sup> Dated August 14, neither printed.

The note refers to the importance the French Government attaches to the incident on the ground that the attacking force was organized in Siam and it requests the American Government provisionally to suspend its good offices until it can be determined whether in connection with the French Court proposals it may be necessary to require an additional condition providing for necessary security guarantees.

M. Lacoste stated that he interpreted the note to apply to the good offices sought by the French in connection with the Court proposals and that it did not apply to good offices which we might extend in connection with direct negotiations. He agreed with the view which we expressed that this incident and the danger of further incidents make an early French-Siamese settlement all the more urgent. He thought, however, that he would not begin even unofficial conversations with Prince Wan for two or three days pending possible further clarification of the situation and he stated that he had so informed Prince Wan.

M. Lacoste hoped that we would impress upon the Siamese the urgent necessity of fulfilling their duties under international law and prevent armed attacks on French territory being organized in Siamese territory.

A[BBOT] L[OW] M[OFFAT]

892.00/S-1546 : Telegram

*The Minister in Siam (Stanton) to the Secretary of State*

SECRET

BANGKOK, August 15, 1946—noon.  
[Received August 18—2:55 a. m.]

948. Mytel 928, August 10. 1. Ministry of Interior issued communiqué August 13 denying reports broadcast by radio Saigon that Siamese took part in Siemreap disturbances. Communiqué refers Siamese patience and restraint in face French fire into Siamese towns, indicates orders issued close border and prevent revolutionaries entering Siamese territory and emphasizes Siam's desire settle all problems between Siam and French through good understanding as illustrated by despatch of delegation to United Nations.

2. At press conference August 14 Minister Interior again denied reports emanating Saigon but admitted groups from Siamese side may have crossed into French territory. If so, said they were groups which French authorities had urged return to their homes.

3. Legation still has no definite information concerning allegations. Colonel Thompson called Pradit's attention to possibility Siamese officials being involved and emphasized serious repercussions

which Siamese involvement might have upon negotiations with French. Pradit said he would immediately order Phra Phiset, Free Cambodia's leader that area, who resides Battambang, to come to Bangkok to report.

Probably some Cambodian-Siamese involved but if so believe unlikely under officials Siamese direction.

STANTON

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892.014/8-1646

*Memorandum of Conversation, by the Acting Chief of the Division of Western European Affairs (Wallner)*

[WASHINGTON,] August 16, 1946.

Participants: M. Francis Lacoste, Minister-Counselor of the French Embassy  
Mr. Moffat, Chief, SEA  
Mr. Wallner, Acting Chief, WE

M. Lacoste called at his request to deliver the attached note No. 514,<sup>67</sup> which contains the long awaited detailed proposals for the interim administration of the disputed provinces and the last paragraph of which speaks of possible additional security guarantees which might appear necessary to the French if border disorders continue.

Referring to the first part of the note, M. Lacoste pointed out that the concrete proposals for interim administration contained therein had been considerably moderated from the original ones and that in them account had been taken of our observations and comments. He felt that his Foreign Office had gone a long way to meet us on these points.

With respect to the latter part of the note M. Lacoste offered his personal interpretation of the measures of guarantee as the presence of French troops in the provinces during the interim period. He hastened to add, however, that the French would press this point only if the investigation of the Siem Reap affair revealed the deep involvement of the Siamese Government. He indicated that he personally did not think the French Government would find it necessary to press for the application of these measures. Mr. Moffat and Mr. Wallner therefore reserved comment thereon.

M. Lacoste then stated that the Embassy had finally received authorization to negotiate with the Siamese Delegation here. Since no mention was made of Prince Wan, it is assumed that the Quai d'Orsay has withdrawn its objection to dealing with him. In view of

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<sup>67</sup> *Infra.*



the Siem Reap affair, however, conversations will be delayed until further light is shed on its origins. Mr. Lacoste added that M. Georges-Picot, newly appointed French Minister to Venezuela, would be available in Washington as Technical Advisor on Siamese matters to the Ambassador. (It will be recalled that M. Georges-Picot was recently French representative in Albania, before which time he was successively Counselor of the French Embassies in Washington and Chungking.)

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892.014/S-1646

*The French Embassy to the Department of State*

[Translation]

No. 514

WASHINGTON, August 16, 1946.

The Embassy of France in the United States presents its compliments to the Department of State and, referring to its note No. 480 of July 29, 1946, has the honor to communicate to it below the plan for provisional administrative control to which the French Government deems that the Indochinese provinces annexed in 1941 by Siam should be subject during the action possibly to be instituted before the Hague Court.

From the political standpoint, the organization to be established should comprise, at the governmental level, a neutral commissioner who would be assisted, in the administration of the Cambodian territory, by a neutral, and an advisory commission composed of a Frenchman, a Cambodian and a Siamese; and, in the administration of the Laotian territories, by another neutral and an advisory commission composed of a Frenchman, a Laotian, and a Siamese.

The Siamese provincial chiefs of services who, to the knowledge of the French Government, are five or six in number per province, should be replaced by natives recruited locally or among persons born in the territories concerned, who belonged to the previous administration, but who have taken refuge in Cambodia or in Laos since the Siamese invasion. However, it would likewise be possible, and preferable, as far as the police service is concerned, for such provincial chiefs of services to be replaced by neutrals.

No change would take place in the cantonal administration, except in the event that the chief of police were Siamese; a native should then be put in his place. No change would be made with regard to the administration of the communes.

In the economic order, the Siamese currency, the fiscal system and the present organization of supplies would be maintained. The territories claimed by Cambodia and Laos would be set up as free zones,

and ad valorem duties exit and entry would be collected. The neutral commissioner, upon recommendation of the advisory commission, would divide the receipts so obtained among the provincial budgets.

A Committee having the neutral commissioner as chairman, and composed of a Frenchman, of the Chief of the province concerned and of a Siamese, would, moreover, control the distribution of rice exports (coming almost exclusively from the province of Battambang), which should be equally divided between Indochina and Siam. The decisions which it would be necessary to make for the exportation of other products would likewise be incumbent on this Committee.

As the Embassy has already indicated to the Department of State in its communication No. 512 of August 14, the French Government feels impelled, until the conclusion of the investigation which it has ordered, and which is at present in progress, concerning the Siem Reap affair of August 7, to reserve its decision to give to the plan above outlined the character of a definitive proposal. Indeed, the fact that armed bands, whose mission appears to be to provoke the most serious incidents, are formed and organized in the territories annexed by Siam, and are using those territories, which are at present under the authority of the Bangkok Government, as assembly positions for attacks like that which has just been made, is such as possibly to make necessary the demand by the French Government for guarantees of security which the results of the investigation might cause to appear essential. That is the reason why this plan, which had been drawn up before the incident of August 7, and the drafters of which endeavored to reduce to the minimum the changes to be made in the administrative organization now existing is, for the time being, communicated to the Department of State solely for its information. The Embassy will not fail to keep the Department of State informed of the conclusions to be reached by the French Government when it has seen the report which it is awaiting from its High Commissioner in Indochina, and to inform it as soon as possible of the decision adopted as a result thereof.

The Embassy of France avails itself of the occasion of the present note to renew to the Department of State the assurances of its very high consideration.

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892.014/8-1946

*Memorandum of Conversation, by the Chief of the Division of Southeast Asian Affairs (Moffat)*

[WASHINGTON,] August 19, 1946.

In the course of conversation Prince Wan Waithayakon stated that he had informed Lacoste that Siam was ready to negotiate a treaty which would declare invalid the 1941 convention and provide for the

transfer of Battambang Province from Indochina to Siam. He said that Lacoste appeared very pleased with regard to the first proposal, twice requesting assurance that Siam would recognize the invalidity of the 1941 treaty; that with regard to the proposal that Siam receive Battambang Lacoste had stated that that exceeded any instructions which he had. Prince Wan stated his impression that Lacoste was pleased by the whole proposal and was now awaiting instructions thereon from Paris.

I remarked that I had understood the French position all along to be that they were unwilling to make any territorial transfers to Siam. Prince Wan agreed that had been their position, but indicated that he was very hopeful that his present proposal would be accepted.

A[BBOT] L[OW] M[OFFAT]

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851G.00/8-2246 : Telegram

*The Minister in Siam (Stanton) to the Secretary of State*

SECRET

BANGKOK, August 22, 1946—3 p. m.

[Received 6:45 p. m.]

973. Deptel 687, August 15.<sup>69</sup> 1. Every effort has been made to ascertain whether force which attacked Siem Reap was organized in or came from Siamese territory. Impossible thus far to determine precise facts and details of incident and in particular origin of attacking force and possible complicity of Siamese. In this connection, please read Colonel Thompson's recent telegrams . . . which summarized reports received by him just prior and subsequent to incident. Phra Phiset, reputedly one of the leaders of free Cambodian movement, is in Bangkok (mytel 948, August 15). He denies any connection with incident although admits great interest in movement. Military and Naval Attachés have been unable to ascertain anything further of real significance. Information available to British military authorities throws no new light on incident or its aims.

2. Incident has been discussed on several occasions with Foreign Minister. He is preparing statement for British and ourselves setting forth numerous communiqués issued by Ministry Interior denying that force came from Siamese territory and outlining measures taken by Siamese Govt such as closing border and arresting number of armed Cambodians allegedly attempting reenter Siamese territory; however, no new or specific information developed in these conversations. Have informed Foreign Minister of our concern over incident and its possible reactions upon present endeavors to bring about amicable settlement of matters in dispute with French. Believe that Siamese

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<sup>69</sup> Not printed; it requested Bangkok to report on the Siem Reap incident (892.014/8-1546).



authorities are making earnest effort to prevent Siamese or Cambodians in Siamese territory crossing into French territory in order to avoid further trouble inasmuch as they are aware of serious effect which such incidents are likely to have upon outcome of present negotiations with French.

3. Reference Clarac's charges (Saigon's telegram August 13 <sup>70</sup>) that attackers were armed with modern American matériel, Legation does not feel such charges well founded in view of fact that French, British and Siamese military forces all equipped with American matériel which might be obtained by Cambodian "rebels" from any one or all of these forces by devious means. Furthermore, considerable quantities American matériel parachuted into Indochina during war.

4. Reference Clarac's complaint regarding landing at Siem Reap by Col. Vance without prior authorization, desire to state relations between Military Attaché and Naval Attaché and French border authorities have heretofore been so cordial that prior authorization from Saigon has in most instances not been requested. Military Attaché and Naval Attaché fully realize that they are not accredited to Indochina although desirability of this has been stressed to War and Navy Depts and request made for French *agrément* through State Dept. They did not mean to offend French authorities and regret unauthorized landing. In future they will of course obtain permission of French authorities and hope to receive permission to return Siem Reap in very near future in company British officer.<sup>71</sup>

[Here follows paragraph numbered 5, in which Bangkok noted that telegram 973 was forwarded by courier to Saigon but not repeated to London and Paris because of the costs involved.]

STANTON

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892.014/8-2646

*Memorandum of Conversation, by the Acting Chief of the Division of Western European Affairs (Wallner)*

[WASHINGTON,] August 26, 1946.

Participants: M. Bonnet, French Ambassador  
 Mr. Acheson, Acting Secretary of State  
 Mr. Moffat, Chief, SEA  
 Mr. Wallner, Acting Chief, WE

The French Ambassador called at his request and handed to Mr. Acheson the attached note,<sup>72</sup> setting forth the decision of the French

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<sup>70</sup> No. 313, not printed.

<sup>71</sup> In telegram 231, August 24, 2 p. m. (811.2351G/8-1346), the Department directed Saigon to reply to Mr. Clarac's letter, broadly along the lines set forth in paragraphs 3 and 4 of telegram 973.

<sup>72</sup> No. 533, August 26, not printed.

Government to withdraw its offer for an agreed submission of the territorial dispute with Siam to the International Court of Justice as a result of a recent border incident. The Ambassador went over the note paragraph by paragraph with the aim of elucidating its contents.

Mr. Acheson stated that he took note of the French decision to abandon judicial settlement and stated that the other considerations set forth in the note would be examined with care. He expressed the hope that direct negotiations with the Siamese would be fruitful and productive of a rapid solution.

Mr. Acheson then raised the question of the French position on the Siamese membership application which was to come before the Security Council on August 28, inquiring whether the French representative might not be instructed to abstain from voting on our intended proposal for the admission of all nine applicants to UN rather than veto it because one of the applicants was Siam. M. Bonnet replied that he was convinced that his Government was adamant on the question of Siamese admission to the United Nations<sup>73</sup> at this point. Mr. Acheson then suggested that Mr. Parodi might propose an amendment to our proposal excluding Siam<sup>74</sup> and reducing the number of applicants to eight. He would then propose that the consideration of Siamese application should be postponed for thirty days, at which time France as a result of the conversations now going on in Washington with the Siamese for a settlement of outstanding problems and the termination of a technical state of war, hoped to be in a position no longer to oppose Siamese application.

The Ambassador accepted this suggestion with alacrity and said that he would immediately cable Paris with a request that appropriate instructions be issued to Mr. Parodi before the Security Council meeting on the Monday of August 28.

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<sup>73</sup> French opposition to Siam's admission to the United Nations was expressed to the Committee on the Admission of New Members on the ground that until negotiations with Siam over restitution of the Indochinese territories were completed, France considered herself in a state of war, *de facto*, with Siam. Konthi Suphamongkhon took cognizance of the French opposition in a letter of August 19 to the Secretary-General in which he expressed confidence that an agreement would soon be reached on the territorial dispute. The letter also expressed his trust that favorable consideration would be given to Siam's application for membership. In a further letter to the Secretary-General on August 28, he noted that a settlement of the territorial dispute had not yet been arrived at and requested that consideration of Siam's application for membership be postponed until such settlement would be effected. The texts of the letters of August 19 and 28 are printed in SC. *1st yr., 2nd series, Suppl. No. 4*, pp. 47, 48.

<sup>74</sup> The Department, in telegram 172, August 27, authorized Herschel V. Johnson to accept an amendment postponing Siamese application for membership.

S92.014/8-2646

*Memorandum of Conversation, by the Chief of the Division of  
Southeast Asian Affairs (Moffat)*

[WASHINGTON,] August 26, 1946.

Participants: Prince Wan Waithayakon, Head of Siamese Delegation to UN on Franco-Siamese Dispute;  
Kuang Aphaiwong, Opposition Leader;  
Prince Kridakara;  
Luang Dithakar Bhakdi, Chargé d'Affaires, Siamese Legation;  
Mr. Kenneth P. Landon, SEA  
Mr. Abbot Low Moffat, SEA

Prince Wan called at my request and I informed him that the French Ambassador had presented a strong note to the Acting Secretary of State this afternoon stating that the French investigations of the Siem Reap incident had clearly established to the satisfaction of the French Government at least the indirect responsibility of the Siamese Government for the incident. The French Government felt therefore that it must withdraw its proposals to submit the disputed territories question to the International Court. It would require at least a year for a Court decision to be rendered and during that period the border would be open to further incidents. The French note stated in effect that the French Government could not be certain what action the military Commandant in Indochina would have to take to prevent further acts of aggression which might interfere with French pacification of Indochina. The French feel that the situation must be cleared up promptly and they will oppose any action deviating from this purpose such as pressing the dispute before the Security Council. In order to reach a prompt settlement they have authorized M. Guillaume Georges-Picot to carry on conversations semi-officially with the Siamese delegation.

Prince Wan stated that the reports from his Government show that the Siamese Government was in no way responsible for the Siem Reap incident and I informed him that the French note merely made the assertion and did not endeavor to argue the point.

He indicated, but obviously with some doubt, that he assumed the French Government had the right to withdraw its proposals for submitting the question to the Court but that he could not then feel bound not to press the matter before the Security Council. I explained that that was not a condition which the French imposed—it was merely a statement that they would oppose the submission invoking Articles 35 and 107.

I stated that the French Ambassador indicated definitely that the French Government would oppose the Siamese application for mem-



bership so long as Siam was holding territory which it received through the help of Japan; that, however, if this matter could be settled before the adjournment of the General Assembly France itself would invoke Rule 60<sup>75</sup> to raise again the Siamese membership application. Prince Wan inquired whether the Security Council could not recommend acceptance of the Siamese membership application conditional upon a Franco-Siamese settlement having been concluded before the General Assembly meeting. I replied that I did not know and suggested that he discuss this point with Georges-Picot. I stated that in connection with other matters and particularly our concern against a wholesale use of vetoes we had suggested to the French the possibility of a postponement of action on the Siamese application until the end of September. This would have the same effect as the present French plans without the actual exercise of a veto assuming a settlement is reached before the end of September.

Prince Wan said that he would like to meet with M. Georges-Picot as soon as possible and it was arranged that M. Georges-Picot dine with Prince Wan this evening and meet the delegation tomorrow morning.

A[BBOT] L[ow] M[offat]

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892.014/8-2846

*Memorandum of Conversation, by the Chief of the Division of Southeast Asian Affairs (Moffat)*

[WASHINGTON,] August 28, 1946.

Participants: M. Jean-Claude Winckler, Second Secretary, French Embassy  
 Mr. W. S. B. Lacy, SEA;  
 Mr. Abbot Low Moffat, SEA.

Mr. Winckler handed me a memorandum<sup>76</sup> giving the details as to recent border incidents communicated yesterday by M. Lacoste.<sup>77</sup> In the course of conversation I took occasion to express my personal regret that the French had withdrawn their Court proposals because of the domestic situation confronting the Siamese delegation who,

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<sup>75</sup> United Nations, *Security Council Official Records*, First Year, Second Series, Supplement No. 4, p. 53.

<sup>76</sup> *Aide-Mémoire* of August 28, not printed; it gave information of almost daily raids on Laotian and Cambodian territories by rebel bands, which had taken refuge in Siam, and by Siamese gendarmes (892.014/8-2846).

<sup>77</sup> Memorandum of August 27 by Mr. Moffat not printed; it cited Mr. Lacoste's allegations that the Siamese Chief of Police at Battambang had been giving military and political training to disaffected Cambodians and that Siamese police in plainclothes and Siamese soldiers and officers in uniform had participated in certain raids. It also stated that "the deterioration of conditions in the Cambodian area had become so great and the incidents were on such a large and well-organized scale that the French Government wished to inform us that they would have to retaliate and their troops enter Siamese-held territory in connection with any further border incidents". (892.014/8-2746)

rightly or wrongly, felt they had to have an order by an international body to return the territories. Winckler personally concurred and said the Ambassador had been very strongly for the proposal but had finally been categorically over-ruled by Paris.

I then expressed personally the view that should direct negotiations fail I thought the French position that they would attempt to block a hearing of the Siamese dispute a very serious mistake both from the international point of view and also from the French position; that if they should succeed in blocking the hearing of the dispute no UN recommendation would be possible, the Siamese might consider themselves under no obligation to return the territories and open warfare might develop; that while French prestige in Indochina might temporarily gain by such a show of force I felt in the long run the French position in the Far East would severely suffer from such policy. I expressed personally the thought that should direct negotiations fail it would be better for the French, which possibly reserving publicly their position as to hearing a so-called enemy state, to waive their objections to such hearing particularly if they were quite certain that the other powers were in agreement that with regard to the territories the Security Council should recommend their immediate restoration to Indochina and that after such restoration the French and Siamese should attempt to negotiate any border adjustments or differences which they had. I inquired whether he knew what view the Chinese or the Russians had on the situation. He thought his Government did not know and was worried about the possible attitude of either country. I suggested that it might be worth trying to find out at least the Chinese views on the disputed territories problem in case the matter should come before the Security Council.

A[BBOT] L[OW] M[OFFAT]

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892.014/8-2846

*Memorandum of Conversation, by the Chief of the Division of  
Southeast Asian Affairs (Moffat)*

[WASHINGTON,] August 28, 1946.

Participants: Prince Wan Waithayakon, Chief of Siamese Delegation to present Siamese dispute to UN;  
Mr. Luang Dithakar Bhakdi, Chargé d'Affaires,  
Siamese Legation;  
The Acting Secretary of State;  
Mr. Woodruff Wallner, WE;  
Mr. Kenneth P. Landon, SEA;  
Mr. Abbot Low Moffat, SEA.

Prince Wan called by appointment at his request. He stated that he had had several conversations with M. Georges-Picot and that it was apparent that it would not be possible for the French and Siamese to settle their differences by direct negotiation; that his instructions permitted a settlement with the French involving a return of all the territories to France but in exchange the French should by voluntary act of good will return a portion of the territories to Siam; that the French position was that the Siamese must return all the territories and that later they would be willing to consider minor border adjustments.

The Parliamentary authority, he pointed out, was for a presentation of the dispute to the Security Council and Siam was willing to accept whatever decision an appropriate international body should render. Accordingly the Siamese Government had been glad to accept French proposals for submission of the issue to the Court but the French, citing the Siem Reap incident as a reason and because of the delay a Court decision would entail, had now withdrawn the proposals. He thought the Siem Reap incident should be treated as a separate question and he would welcome an inquiry into that incident. He inquired whether he might invoke the good offices of the United States in proposing the Court procedure to the French on behalf of Siam. Mr. Acheson replied that in view of the fact the French themselves had made the proposal, had now withdrawn it and made such withdrawal public, they obviously would not accept the proposal and presentation of such proposal on behalf of Siam could clearly serve no useful purpose. Prince Wan then stated he had suggested to M. Georges-Picot the possibility of arbitration but that M. Georges-Picot had made no comment.

Mr. Acheson then expressed his concern with the explosive nature of problems everywhere throughout the world and the serious danger that unless maximum efforts were exerted on both sides trouble would ensue. He thought that a presentation of the case of the Siamese dispute to the Security Council would raise many serious difficulties with the strong possibility that because of French opposition no action might be taken by the Council and both the Security Council position and the position of Siam might therefore be worse off. He expressed the view that, as he understood the Siamese Government recognized the necessity of declaring the 1941 treaty invalid and that the Security Council would doubtless, if it acted, make a similar recommendation, the Siamese Government should accept its responsibilities and not utilize the Security Council as a means of avoiding its responsibilities. Prince Wan stated that while his Government might recognize this situation, the public and Parliament in Siam entertained the opposite view and although willing to accept any decision of the Security Council held the definite illusion that at least part of the territories would



be restored to Siam. Mr. Acheson emphasized that he thought it of great importance that the Siamese make at least another attempt at a direct settlement before resorting to the Security Council and suggested that as the issues between France and Siam were really not too great the problem was not insoluble if both sides would moderate their demands in the interest of a settlement and that we would be willing to use our influence to press for such moderation.

Prince Wan then stated that he had no authority to negotiate a direct settlement with the French but would report Mr. Acheson's conversation and telegraph his Government requesting such authority.

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892.014/8-2246 : Telegram

*The Acting Secretary of State to the Minister in Siam (Stanton)*

SECRET

WASHINGTON, August 30, 1946—6 p. m.

720. Conditions appear dangerously explosive and imperative fuller reporting conditions Battambang and border areas Siamese side. Suggest Mil Attaché, Thompson or Bulkley <sup>78</sup> proceed Battambang and keep area covered as fully as possible. Actual presence and continuing observation may also have similar successful restraining influence Law <sup>79</sup> visit Laos border May-June. Essential US have reports own observers.

Include in each important urtel (Deptel 687, Aug 15 <sup>80</sup>) request that Dept repeat Paris and London (urtel 973, Aug 22).

ACHESON

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892.014/8-3046 : Telegram

*The Acting Secretary of State to the Minister in Siam (Stanton)*

SECRET

WASHINGTON, August 30, 1946—6 p. m.

721. French have informed us they will retaliate and their troops enter Siamese-held territory in connection further border incidents. Inform FonOff while Dept assumes, of course, no complicity Siamese Govt Siem Reap incident it considers on info received probable raiders organized in or came from Siamese-held territory through negligence or complacency local officials. Stress urgency this Govt feels necessary every possible action prevent future incidents or use Siamese-held territory for raids against Indochina and recommend promptest investigation and punishment any Siamese officials found

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<sup>78</sup> Dwight H. Bulkley, Vice Consul at Bangkok.

<sup>79</sup> Lt. Col. William Law, Assistant Military Attaché in Siam.

<sup>80</sup> See footnote 69, p. 1067.

guilty complicity or negligence. Representations similar vein made Prince Wan Aug. 19.

Sent Bangkok as 721. Repeated Paris as 4510; London as 6362; Saigon as 236.

ACHESON

851G.00/8-2846 : Telegram

*The Acting Secretary of State to the Ambassador in France (Caffery)*

SECRET

WASHINGTON, August 30, 1946—6 p. m.

4513. Urtel 4299, Aug 28.<sup>51</sup> Dept gratified Bidault attitude. However, it is perturbed Indochina-Siam border situation. It does not believe complicity Siamese Govt Siem Reap incident although recognizing probability Siamese-held territory used for organization and base raiding parties and strong possibility negligence or complacency some local Siamese officials. It fears French officials Indochina coloring reports and endeavoring compel use force secure restitution territories because belief further delay might be construed within Indochina as sign French weakness and so increase internal disaffection. Brit Emb holds similar view. Dept feels it imperative Paris not lose control Indochina officials and military and not permit their preoccupation local problems precipitate condition which might jeopardize stability Southeast Asia and injure French position Far East and world opinion.

Foregoing for your info and such use as you deem appropriate in conversations Indochina situation.

Sent Paris as 4513. Repeated London as 6365; and for info Bangkok as 722; Saigon as 237.

ACHESON

892.014/9-446 : Telegram

*The Minister in Siam (Stanton) to the Secretary of State*

SECRET

BANGKOK, September 4, 1946—3 p. m.  
[Received September 5—9: 50 p. m.]

1012. Department's telegram 721, August 30. 1. Again impressed upon Foreign Minister serious effect Siem Reap incident upon nego-

<sup>51</sup> Not printed: Mr. Caffery reported that he had been told by the French Foreign Minister that "steps will be taken to prevent any unprovoked acts of violence on the part of the French military in Indochina" and that Mr. Georges-Picot "will assume a moderate attitude and will try hard to make an amicable and acceptable agreement with the Siamese." The Ambassador also noted that "Bidault is adamant on the question of Siam's entry into the UN at this juncture." (851G.00/8-2846)

tiations and necessity taking most stringent measures prevent undesirable persons entering French territory or fomenting trouble.<sup>83</sup> Foreign Minister reiterated strong instructions issued local officials control refugees and prevent entry into neighboring territory, government being fully aware seriousness situation and much perturbed by French use of incident in connection negotiations. He said would be glad issue immediate instructions Battambang officials give Law and Bulkley all possible assistance in their capacity friendly observers (Department's telegram 720, August 30).

2. Foreign Minister summarized recent telegrams from Prince Wan and referred particularly latter's suggestion dispute be arbitrated which Picot said thought French might agree if arbitrated by United States and Great Britain. Foreign Minister wondered whether two governments would want act arbitrators inasmuch as position American and British Governments regarding retrocession disputed territories already made clear. Said, however, proposed instruct Wan agree arbitration if conducted under provisions Article 33 of Charter.

Reiterated importance of decision, no matter how adverse, being reached through medium of United Nations in view of government's commitments to Assembly and people. Said Wan would alternatively be instructed to make further efforts reach agreement with French by direct negotiation but emphasized any agreement must at least appear to have been reached through Security Council and be announced by that body. Foreign Minister also informed me French suggested Khuang Aphaiwong proceed to Paris further talks and that Siamese Government, to show sincere desire reach agreement, had indicated no objection although it felt Siamese were being treated by French in off-hand manner.

3. There is no doubt that principal desire of Foreign Minister and government is for decision by some body of UN. Believe also from conversations with Foreign Minister now that Siamese prepared to accept much less by way of territorial adjustment than now being asked by delegation (my telegram 882, July 30, paragraph 3).

4. Sent to Department as 1012; repeated to Saigon as 16. Department please repeat to London and Paris.

STANTON

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<sup>83</sup> Telegram 1003, August 31, from Bangkok reported that the Siamese Foreign Minister had made a statement to Parliament the previous day that the Government of Siam neither instigated, condoned, nor had prior knowledge of the Siem Reap incident (892.014/8-3146).



892.014/9-546

*Memorandum of Conversation, by the Chief of the Division of  
Southeast Asian Affairs (Moffat)*

[WASHINGTON,] September 5, 1946.

M. Georges-Picot informed me that Prince Wan had informed him that instructions had been received from Bangkok for the Siamese delegation to present their dispute to the Security Council. He understood, however, that this would not be done until the return of Khuang Aphaiwong and Thanat Khoman<sup>84</sup> who are accompanying Georges-Picot to Paris on September 7 and will probably not return until about September 24.

M. Georges-Picot expressed the earnest hope that there would not be a division between the United States and France in the Security Council and suggested the possibility that when the question of placing the Siamese complaint on the agenda comes up for discussion the French might state that they would have no objection to the hearing of such complaint as soon as the Siamese had restored the disputed territories. M. Georges-Picot also commented that in his opinion, insofar as the Security Council is concerned, the war started in 1937 when Japan attacked China, one of the United Nations; that therefore Article 107 is applicable to bar the Siamese complaint, the taking of the territories with Japanese aid having occurred during the war.

I expressed the view that the United States would feel that Siam should have the opportunity to state its case; the French to reply thereto including presentation of the obvious proof that the territories were taken with Japanese aid; and then the Council should recommend, insofar as the territorial dispute is concerned, that the territories should be restored at once to Indochina and that upon such restoration the French and Siamese should endeavor to effect a direct settlement of any outstanding differences.

A[BBOT] L[OW] M[OFFAT]

892.014/9-2746

*Memorandum of Conversation, by the Chief of the Division of  
Southeast Asian Affairs (Moffat)*

[WASHINGTON,] September 27, 1946.

M. Winckler called to leave the attached *Aide-Mémoire*.<sup>85</sup> In the course of conversation I remarked that we had not decided whether

<sup>84</sup> Director, Foreign Affairs Division, Siamese Foreign Office.

<sup>85</sup> Dated September 24, 1946, not printed; it gave the details of further incursions from Siam into Laos and Cambodia by Japanese, Laotians, Annamites, and Siamese dating from August 13 and denied a report that a French naval unit had violated Siamese territorial waters (892.014/9-2746).

in our role of good offices we should make an official *démarche* of some sort, but we were frankly disturbed at the reported concentration of French troops along the Indochina-Siam border and the repeated statements from high French officials in Indochina that if the dispute were not settled promptly the French troops would march in and take back their territories. I stated my belief that this would not happen because the French Government obviously would forbid it, but nevertheless with the preoccupation of the local officials with their immediate problems it was always possible that a situation could develop which would almost force the Paris Government to back up action by the local officials. M. Winckler confirmed the French concentrations and expressed disapproval of the war of nerves which the French officials in Indochina were, he considered, waging; that he was sure M. Bidault would not approve and hoped that Georges-Picot had discussed this in Paris. He made the significant remark that d'Argenlieu was pressing hard for promptest settlement in one form or another on the ground that the Cambodians and Laos were watching the French administration and if the French did not very shortly recover the territories he feared the new French arrangements with the Cambodians and Laos would be disrupted and the Cambodians and Laos [would] foment trouble, if not indeed revolt, against the French.

A[BBOT] L[OW] M[OFFAT]

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892.014/10-146

*Memorandum of Conversation, by the Chief of the Division of Southeast Asian Affairs (Moffat)*

[WASHINGTON,] October 1, 1946.

Participants: Dr. Suchit Hiranphueck, Member of the Siamese Delegation now in Washington, Member of the Siamese House of Representatives and Secretary to the Siamese Minister of Foreign Affairs;  
Mr. Abbot Low Moffat, SEA.

Dr. Suchit Hiranphueck called on me to inform me that the Siamese Delegation was convinced that Siam must return unconditionally the territories which Siam acquired from Indochina in 1941; that they had held this view when they arrived but hoped to effect some bargain in exchange for such retrocession; that his Government had been disappointed that the United States had not given them active assistance in effecting such bargain, but that they realized the situation and felt that the sooner the return could be accomplished the better for Siam in its standing in world opinion and also because

they sincerely desired to establish friendly relations with and have France as a friend in the future. He stated that the question now was merely one of procedure which would make it possible for the Siamese Government to declare the 1941 treaty null and void; that the people in Siam and especially the members of the Siamese Parliament, however, did not realize the situation and he was planning to return immediately to Bangkok to report to the Minister of Foreign Affairs and to speak in the Parliament in an effort to make his colleagues realize that the immediate return of the territories is essential. He expected that Nai Kuang Aphaiwong, leader of the Opposition Party and one other member of the House who is on the delegation and would also return before long to Bangkok to aid in persuading the Siamese Parliament of the realities of the situation.

In connection with his reference to disappointment that the United States had not actively aided Siam in bargaining with the French, he commented with appreciation on the great assistance which we had given Siam since the war. I explained again our position that no nation which had acquired territory with the aid of Japanese aggression should retain such territory or use its possession of such territory as a bargaining point to secure the cession of part of that territory; but that we had never passed on the basic merits of the Siamese claims, felt that these should be presented for consideration in a peaceful orderly manner, and had consistently used our influence with the French to bring about assurance that once the territories were returned, peaceful opportunity to consider Siamese claims would be forthcoming.

Dr. Suchit expressed the hope that when the territories are returned there will be established some procedure of conciliation or arbitration of Siamese claims which will in fact result in a prompt consideration of and decision upon such claims. He stated that it would be extremely unfortunate if the French should attempt dilatory tactics and the discussion of Siamese claims drag out interminably and without decision.

He also states his belief that the Government could secure Parliamentary approval of a declaration that the 1941 treaty was invalid and of a return of the territories, if it could be shown that this was not purely a voluntary gesture on the part of the Government but was in accordance with the opinion of the principal Allies (US and UK) and especially if by this action Siam secured membership in the United Nations.

In this connection I asked Dr. Suchit what progress had been made for the establishment of diplomatic relations with USSR. Dr. Suchit stated that his Government preferred to keep close relations with the western democratic countries and was very reluctant to develop



relations with the Soviet fearing that such action would be misconstrued by the United States<sup>87</sup> and Great Britain; that in May 1945 an *agrément* for the appointment of Arthakitti Banomyong, Minister to Sweden and brother of Luang Pradist [the then Regent and later Prime Minister]<sup>88</sup> had been sought from Moscow without success. Recently he stated such an *agrément* had again been sought but no reply had been received. Believing that the anti-communist law might be a factor, Parliament was considering the repeal of that law. He stated that no request for diplomatic relations had been received from the Soviet since the war. He indicated strongly that except for their interest in becoming members of the United Nations the Siamese were anxious not to have relations with the Soviet beyond the strictest formal diplomatic relations and that they would be glad to dispense with even these, if possible.

A[BBOT] L[OW] M[OFFAT]

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892.014/10-246

*Memorandum of Conversation, by the Chief of the Division of Southeast Asian Affairs (Moffat)*

[WASHINGTON,] October 2, 1946.

Participants: The French Ambassador, M. Bonnet;  
The Acting Secretary, Mr. Acheson;  
Miss Frances Willis, WE;  
Mr. Abbott Low Moffat, SEA.

M. Bonnet called by appointment at his request and handed Mr. Acheson the attached note<sup>89</sup> setting forth a proposed program for settlement of the French Siamese dispute and requested the good offices of the United States in presenting the program to the Siamese delegation now in Washington and in urging its acceptance. M. Bonnet pointed out that the program was in accordance with the views of the Department communicated to the French Government in October 1945,<sup>90</sup> and after some discussion of the program, Mr. Acheson stated that this Government would be glad to extend its good offices as requested.

In the course of conversation, M. Bonnet made clear that if the

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<sup>87</sup> Telegram 335, April 4, 1946, noon, from Bangkok had transmitted a query by the Siamese Foreign Minister as to whether the United States would object to the establishment of diplomatic relations between Siam and the Soviet Union. The Department's reply, in telegram 255, April 10, 1946, 7 p. m., stated that the establishment of diplomatic relations between Siam and the USSR was considered a question for decision by those two countries (761.92/4-446).

<sup>88</sup> Brackets appear in the original memorandum.

<sup>89</sup> *Infra*.

<sup>90</sup> Note of October 1, 1945, *Foreign Relations*, 1945, vol. VI, p. 1346.

Siamese so desired, France would in connection with withdrawal of the Siamese complaint to the Security Council seek from that body some expression of approval of the program agreed upon in order to ease the internal situation confronting the Siamese Government. He stated also that France would not only withdraw its opposition to Siamese membership in the United Nations but would support such membership. It was pointed out to M. Bonnet that the Siamese Government could probably not secure parliamentary sanction for a declaration that the 1941 treaty was null and void unless at the same time it knew of the other provisions of the program. M. Bonnet expressed the view that agreement on the entire program could be effected in one document or in documents simultaneously executed, but that the putting into operation of the various provisions of the program would have to be in the order indicated. He indicated that there would be no objection to the taking of necessary preliminary steps for setting up the Conciliation Commission quite promptly, but that under no circumstances could the Commission begin to function until the territories had in fact been restored and the *status quo ante* established. He explained that under the proposal for a Conciliation Commission, action once agreed upon would be automatic and must be carried through to a conclusion.

The Ambassador also pointed out that a protocol to govern procedures relating to the restoration of the territories would be necessary; that possibly this might constitute part of the over-all agreement or agreements, but if not provision for such protocol would need to be made.

In response to the Acting Secretary's inquiry, M. Bonnet stated that his Government would be glad to avail itself of the good offices of this Government in working out the details of an agreement or agreements to put the proposed arrangement into effect; and that he, Georges-Picot, Prince Monireth of Cambodia and Prince Savang of Laos would at all times be available for the purpose.

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Later M. Francis Lacoste of the French Embassy telephoned Mr. Moffat to state that he would communicate the proposed program which the Ambassador had given Mr. Acheson to the British Embassy and he understood that similar information would be given the British Foreign Office by the French Embassy in London. Still later M. Lacoste telephoned again to state that he was not sure whether the Ambassador had made clear that he hoped we would communicate the proposal not only to the Siamese Delegation now in Washington but also directly to the Siamese Government in Bangkok but that this was what the Ambassador had intended.

A[BBOT] L[OW] M[OFFAT]

892.014/10-246

*The French Ambassador (Bonnet) to the Acting Secretary of State*

[Translation]

No. 607

WASHINGTON, October 2, 1946.

The Ambassador of France in the United States presents his compliments to His Excellency the Acting Secretary of State and, referring to the previous communications of the Embassy of France to the Department of State on the subject of the Cambodian and Laotian territories annexed by Siam in 1941, has the honor to request, in the name of his Government, that he be so good as to submit to the Siamese Delegation at present in Washington the bases of settlement proposed in the annexed note.

As the Acting Secretary of State will note, this proposal of the French Government is in harmony with the views of the American Government as set forth in the note of October 1, 1945 transmitted on October 4 by the Chief of the Office of Far Eastern Affairs of the Department of State to the Counselor of the Embassy of France.

Indeed, the Department of State indicated in that document that the American Government does not recognize the validity of the transfer to Siam of the territories considered; that the question of their return is not, according to it, a matter for arbitration; and that in fact Siam must return them. This is indeed, as the American Government knows, the firm opinion of the French Government: in its opinion, the Siamese Government should, at the earliest date, expressly recognize the nullity of the Agreement of May 9, 1941 and its effects and proceed purely and simply to the actual return of the territories in question.

The note of the Department of State of October 1, 1945 further stated that this return should not prejudice the readjustments of boundaries or transfers of territories which might be made subsequently through a regular and pacific procedure. It is in this spirit that the annexed proposal for settlement indicates that France will agree, if the Siamese Government expresses the desire, to the establishment of a conciliation commission of the type provided for in the General Act of Geneva, of September 26, 1928, for the pacific settlement of international disputes<sup>91</sup> by application of Article 21 of the Franco-Siamese Treaty of December 7, 1937.

But the French Government cannot consent to the Siamese Government's attempting to seek the conclusion of an agreement which might contain any provisions relating to territory before the liquidation of its war policy as a satellite of Japan is entirely completed. Siam now retains the profit from this policy by occupying, contrary to all right,

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<sup>91</sup> League of Nations Treaty Series, vol. xciii, p. 343.



territories which it acquired by violence to the detriment of their legitimate owners, the Kingdoms of Cambodia and Laos, and for which the French Government bears the responsibility to the Governments of these two countries. It would be clearly contrary to international ethics that, without giving in advance real proof of its sincerity by renouncing the profits illegitimately acquired five years ago by a flagrant violation of the fundamental principles of international law, if Siam could, merely by an expression of adherence to those same principles on which the institution of the United Nations rests, seek new advantages which it hopes to obtain therefrom.

The dispute begun between Siam on the one hand, France, Cambodia and Laos on the other, by the Siamese aggression of December, 1940, may be ended only by return in law and in fact to the *status quo ante bellum*. Then only, in the opinion of the French Government, will it be legitimately possible for Siam to request recourse to a pacific procedure of examination of the adjustments which it might be deemed advisable to make in the treaties from which Siam deliberately departed in 1940.

The French Government deems, further, that to permit Siam to discuss, while remaining in possession of the fruits of its aggression, its possible right to retain a part thereof, however small it may be, would be not only to violate the law and create a precedent at the same time profoundly shocking and eminently dangerous, but to render Siam itself the poorest service. All the provisions of the Convention of May 9, 1941 should, before any negotiation, be entirely annulled.

In view of these considerations, the proposals contained in the annexed document are self-explanatory. The French Government expresses the hope that the American Government may agree, within the framework of the good offices the valued benefit of which it has been so good as to assure to it, not only to present them to the Siamese Delegation, but to recommend them to the acceptance of the Siamese Government in the interest of the reestablishment of peace and the return of prosperity in South Eastern Asia.

The Ambassador of France thanks the Acting Secretary of State in advance for whatever he may be so good as to do to that end, and avails himself [etc.].

[Annex—Translation]

#### PROPOSED FRANCO-SIAMESE SETTLEMENT <sup>92</sup>

The Government of the French Republic and the Siamese Government have agreed to put an end to the dispute between them on the following bases :

<sup>92</sup> Entitled "Projet de Règlement Franco-Siamois" in the French Ambassador's note.

1) Verification of the nullity of the Convention of May 9, 1941 which shall be declared by the Siamese Government null and void. As a result, the Indochinese territories occupied by Siam will be transferred to the French authorities, to be returned to the Cambodian and Laotian Governments.

2) After the return to the *status quo ante* putting an end to the state of war between France and Siam, diplomatic relations will be immediately reestablished and intercourse between the two countries will again be governed by the Treaty of December 7, 1937 and by the Commercial and Customs Arrangement of December 9, 1937.<sup>93</sup> Siam will withdraw the complaint which it has brought before the Security Council; France will no longer oppose the entry of Siam into the United Nations.

3) As soon as the Siamese Government has declared the Convention of May 9, 1941 null and void, France will agree that there be established, by application of Article 21 of the Franco-Siamese Treaty of December 7, 1937, a conciliation commission composed of two representatives of the Parties and three neutrals, in conformity with the General Act of Geneva of September 26, 1928 for the "pacific settlement of international disputes", which governs the establishment and functioning of the commission.

The commission will begin its work immediately after the execution of the provisions of Article 1 of the present proposal for settlement. It will be charged with examining the ethnic, geographic and economic arguments of the Parties in favor of the amendment or the confirmation of the clauses of the Treaty of March 23, 1907, maintained in force by Article 22 of the Treaty of December 7, 1937\*.

4) Upon the reestablishment of diplomatic relations, negotiations will be opened for the settlement of all the questions pending between the two countries and, particularly, for the determination on the one hand of the indemnities to be paid by the Siamese Government in compensation for the damage suffered by the act of Siam by French or Indochinese property, rights and interests and, on the other, of the sums to be entered to the credit of the Siamese Government.

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#### *Editorial Note*

Telegram 4873, September 28, 11 a.m., from Paris reported that Mr. Georges-Picot had communicated the nature of the proposed

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<sup>93</sup> Commercial and Customs Agreement between France and Siam, signed at Bangkok, *British and Foreign State Papers*, vol. cxli, p. 1009.

\*A definition of the competence of the Commission has been suggested in analogous terms by the Siamese Delegation in Washington. [Footnote in the original.]

settlement to officers of the Embassy in France and that the French Foreign Office had been able to prevail on the Overseas Ministry and the Interministerial Committee on Indochina to accept the proposals. The telegram also noted: "There have been strong elements in French Government which, while insisting on retrocession of territories, have vigorously opposed subsequently discussion frontier rectifications with Siamese. Picot formula outlined above, therefore, represented notable progress in direction of moderation and good sense for Foreign Ministry which now earnestly desires an equitable and early solution to problem. With foregoing in mind and since the Picot formula has been largely the result of what French understand we wish them to do, I earnestly hope that when French make this proposal to Siamese the Department will impress on Siamese importance of solving this whole problem now and will strongly discourage any attempts Siamese may make to engage in dilatory or delaying tactics." (892.014/9-2846)

In a further discussion of the matter in telegram 4910, September 30, 8 p.m., the Embassy at Paris reported information from Mr. Baudet that the French were prepared to be extremely liberal in reestablishing economic relations with Siam and that undoubtedly arrangements could be made to preserve the interests of Khuang Aphaiwong in Battambang (892.014/9-3046).

In a memorandum of October 2 to Mr. Acheson, Mr. Moffat stated: "The French proposals would appear directly in line with the United States position and I believe we should urge Siamese acceptance in principle. In the exercise of our good offices, however, I think it important that we follow in detail the text of any agreement in an effort to secure the most amicable language and fairest settlement of details so as to be sure of Siamese ratification. At our suggestion, the French have already removed from their suggested treaty a number of unrelated clauses which would only irritate the Siamese, but the draft still includes some verbiage to which the Siamese object and which is not essential to the main issue of return of territories and establishment of friendly relations. It would also be important that the French-Siamese Agreement not include any limitation of the 'grievances' which the Siamese might submit to conciliation. Under the Geneva Act, the special conciliation commission, which must be appointed within three months and conclude its work within the following six months, is to determine the relevant facts and basic issues in dispute and if a settlement cannot be effected by that commission, the arbitration commission takes up from that point. Presumably, therefore, the conciliation commission would eliminate any wild claims and the French position and future French-Siamese re-



lations would be strengthened, if such elimination were done not by the French in their treaty but by an international body.” (892.014/10-246)

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892.014/10-446

*The Department of State to the Siamese Delegation*<sup>94</sup>

MEMORANDUM

The members of the Siamese Delegation will recall that on a number of occasions the United States Government has made clear its view that it cannot recognize territorial changes effected by Japan or with Japanese assistance in the course of Japanese aggression and that it does not, therefore, recognize the transfer of the territories which Siam acquired from Indochina in 1941 and believes that Siam should restore the territories and reestablish the *status quo ante*.

Clearly this Government could not urge the French Government to accept any proposal which would condition the restoration of the territories upon the cession of a part of the territories to Siam. That would have meant American support of the thesis that a nation having committed an international wrong may utilize such wrong to bargain for some gain it desires and refuse to rectify such wrong until it gains its end.

On the other hand, this Government has equally made clear that in holding to its belief that the methods by which Siam acquired the territories were wrong and that the territories should be restored, it has in no way undertaken to pass upon the merits of the pre-1941 Siamese-Indochinese border, and its position is entirely without prejudice to any boundary adjustments or transfers of territories which may be accomplished, subsequent to their restoration, through orderly, peaceful processes. It has, therefore, consistently urged the French Government to give assurance that after the territories are in fact restored by Siam, full opportunity would be given Siam to seek through orderly, peaceful processes such boundary adjustments or transfers of territories as the Siamese Government may believe proper. It has also expressed to the French Government its view that in order to eliminate, if possible, potential sources of future unrest or international discontent, possible changes in the pre-1941 border should be considered on their practical merits and that consideration should be given to ethnic, geographic, economic and similar factors rather than to the conflicting legal and historic claims which relate to the past.

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<sup>94</sup> Handed to Prince Wan, head of the Siamese delegation, by Mr. Moffat on October 4, 1946.

The French Government has now requested the good offices of the United States Government in presenting to the Siamese Delegation, and in urging its acceptance by the Siamese Government, the attached proposed procedure for the settlement of the French-Siamese difficulties.<sup>95</sup> This procedure is entirely consistent with the position which the United States has steadily maintained and it considers that it is in complete consonance with sound principles of international law and with the principles of aims of the United Nations.

The Government of the United States earnestly hopes that the Siamese Government will accept the French proposals as a proper and honorable means of settling the difficulties between France and Siam and establishing friendly relations between the two countries. It believes that a prompt settlement of the present difficulties would be of the greatest importance to the establishment of peace and tranquility in Southeast Asia and also of great value to Siam as the present difficulties must inevitably detract from Siamese efforts to rehabilitate the economy of their country which has been disrupted by the war. This Government hopes, therefore, that prompt consideration will be given these proposals, and, if accepted, that the details of the necessary agreement or agreements may be worked out and completed at the earliest possible date.

WASHINGTON, October 4, 1946.

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892.014/10-446

*Memorandum of Oral Statement by the Department of State to the Siamese Delegation*<sup>96</sup>

In connection with the French proposal communicated today, the French Ambassador has made certain supplementary oral comments.

He stated that if the Siamese Government so desires, the French Government would be willing in connection with the withdrawal of the Siamese complaint to the Security Council, to seek from that body some expression of approval of the procedure agreed upon in order to facilitate its acceptance by the Siamese Government.

He stated also that not only would France withdraw its objection to Siamese membership in the United Nations, France would support such membership.

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<sup>95</sup> The annex to note 607, October 2, from the French Ambassador, p. 1083.

<sup>96</sup> This memorandum was read by Messrs. Georges-Picot and Lacoste on October 4 before it was handed to Prince Wan "to be certain that the statements therein were strictly in accordance with French intention and understanding. They both confirmed that the text was exactly correct." Copies of the memorandum of October 4 to the Siamese Delegation, *supra*, were shown to them at the same time. (Memorandum of October 4 by Mr. Moffat, filed under 892.-014/10-446)

He remarked that although the French Government will insist that the proposed Conciliation Commission may not commence to function until restoration of the territories and establishment of the *status quo ante*, the French Government, in order to expedite the work of that Commission, would be agreeable to initiating the organization of such Commission in advance of that time.

He also pointed out that under the terms of the General Act once the conciliation procedure is invoked the Conciliation Commission must be established and its work concluded within specified periods of time and that its operations are automatic and must be carried through to a conclusion.

He gave assurance that there would be no objection to the conclusion of an agreement or the simultaneous conclusion of several agreements embodying the entire program, but that the putting into effect of the several parts of the procedure proposed would have to be in the order indicated.

The Ambassador also called attention to the need for a protocol governing the procedure for the restoration of the territories.

Finally, the Ambassador stated that the French Government would be glad to avail itself of the good offices of this Government in working out the details of an agreement or agreements to put the proposed arrangement into effect.

The Delegation may be assured that the good offices of this Government are similarly available to the Siamese Government if desired.

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[After receipt by the Department of the French proposals and their transmittal by the Department to the Siamese Delegation, officers of the Department held numerous discussions with the French and with the Siamese about the nature and wording of the proposed settlement.]

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892.014/10-1746

*The Minister in Siam (Stanton) to the Secretary of State*

CONFIDENTIAL  
No. 135

BANGKOK, October 17, 1946.  
[Received October 30.]

SIR: I have the honor to refer to the Department's telegrams Nos. 800, 801 and 802 of October 5, 1946 <sup>97</sup> transmitting the French proposals for the settlement of the dispute with Siam, the Department's memorandum of October 4 to the Siamese delegation and oral comments made by the French Ambassador at Washington which were communicated to the Siamese delegation at the same time the French

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<sup>97</sup> None printed.



proposals and the Department's memorandum were handed to the Siamese delegation. As indicated in my telegram No. 1141 of October 12,<sup>98</sup> I was not able to hand these documents to the Minister of Foreign Affairs until the afternoon of October 11 due to the fact that all three of these messages were very badly garbled and required several days to decipher and make them intelligible.

The Foreign Minister made little comment when he first read over the French proposals except to reiterate how difficult it would be for the Government voluntarily to declare the 1941 agreement null and void and to retrocede the territories. He referred to the fact that the Pridi Government and the present Government<sup>99</sup> had both hoped it would be possible to evolve a procedure by which the Security Council or some organ of the United Nations would decide on the validity of the agreement and declare that the territories must be returned. I pointed out to Nai Direck that the Department had made every effort to evolve a procedure which would be acceptable to the Siamese, being cognizant of the difficult position of the Government with respect to retrocession of these territories. I reviewed the difficulties which the Department anticipated in connection with the presentation of Siam's case to the Security Council and the certainty that the French would veto consideration of the case by the Security Council. I also referred to the fact that the Siem Reap incident had caused the French to withdraw the proposal that this dispute should be referred to the International Court for adjudication. I stressed that several months had elapsed in efforts to work out a satisfactory procedure; that conditions along the border had not improved; and that our information indicated the French military in Indochina were becoming very restive and would probably occupy the territories by force as soon as weather conditions permitted. I said the urgency of this problem was such that any further delay might precipitate armed clashes with French troops which in turn might conceivably lead to a state of open hostility. Nai Direck replied he was fully aware of the urgency of the problem and that this whole matter would be immediately considered by the Cabinet upon the arrival of Nai Sutchit Hiranpruek.

Nai Sutchit arrived on Saturday morning, October 12, by plane from Washington and immediately conferred at length with Nai Direck. A special meeting of the Cabinet, which Nai Pridi was invited to attend, was convened the next day. The French proposals and the position the Government should take with respect thereto were considered at this Cabinet meeting, which lasted all day Sun-

<sup>98</sup> Not printed.

<sup>99</sup> Luang Dhamrong became Siamese Prime Minister on August 23, 1946.

day. I was informed the next day by Nai Direck that some members of the Cabinet were of the opinion that the Government should voluntarily resign in view of the fact that retrocession of territories was involved. However, Nai Pridi, Prime Minister Dhamrong, the Foreign Minister and one or two of the senior members of the present Cabinet argued that this was a national matter and therefore a responsibility which the Government should not shirk. These views prevailed and it was agreed that a special session of the Assembly would be called on Monday, October 14, at which the Government would present the whole problem to the Assembly and ask authority to nullify the 1941 agreement and retrocede these territories to Indochina.

At the special meeting of the Assembly the Prime Minister made a lengthy opening statement reviewing the history of the acquisition of these territories, the conclusion of the agreement of 1941, the decision of the Pridi Government which was ratified by the Assembly to present this dispute to the Security Council, and the proposals which had now been received from the French calling first for retrocession of these territories by Siam and the subsequent establishment of a conciliation commission to consider Siam's complaints. The Foreign Minister read the text of the French proposals, the Department's memorandum of October 4 to the Siamese delegation and the oral comments made by the French Ambassador at Washington. He pointed out that, while retrocession of these territories was naturally highly distasteful to the Government and the people, the United States and Great Britain felt this step was necessary in view of the fact that these territories had been acquired during the course of Japanese aggression and that retrocession was a prerequisite to effecting a settlement of this dispute. The Foreign Minister was followed by Nai Sutchit who, as Secretary of the Siamese delegation, read a prepared statement setting forth the views of the delegation with respect to the French proposals and indicating they believed the proposals should be accepted by the Government. He also emphasized the Department's endorsement of the proposals, referring to the Department's memorandum on the subject.

There then ensued approximately four hours of debate which, as indicated in my telegram No. 1154 of October 15,<sup>1</sup> was marked by a good deal of patriotic fervor, references to the abandonment of "a million people" and advocacy of a resort to arms as the most honorable method of settling the dispute. Virtually all speeches made opposing retrocession of the territories were delivered by members of the Opposition Party and so-called "Independents." Vice Consul Bulkley, who was present and whose memorandum concerning

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<sup>1</sup> Not printed.

the debate and speeches is enclosed, <sup>1a</sup> noted that none of the members of the Government parties, the Constitutionalist Party and the Sahacheep Party, spoke in support of the Government's position. No attempt was made by the Government at that session of the Assembly to force a vote, the Prime Minister apparently feeling it would be well to permit members to talk themselves out.

Debate was resumed the following morning and continued throughout the day. Opposition to the course proposed by the Government continued to be voiced by members of the Opposition, and in this connection it may be of interest to record that Nai Chavalit Aphaiwong from Battambang, who is a relative of Nai Khuang, bitterly denounced the Government's contemplated course of action and the retrocession of Siamese territories, particularly the Battambang area. After considerable debate Seni Pramoj, who is one of the leaders of the Opposition, delivered a speech which he said represented his personal views. The speech was characterized by a broad grasp of world problems and Siam's responsibilities in the maintenance of world peace. He stressed his belief that Siam should make this "sacrifice" of territories as a contribution to world peace. He paid a great tribute to the United States and to the many manifestations of our country's friendship for and interest in Siam and the Siamese people. Mr. Bulkley informs me that Seni Pramoj's speech visibly impressed the Assembly and no doubt greatly lessened the force and impact of the more fervid speeches made by other members of the Opposition. Shortly before six p. m. the Government decided to force a vote on this issue. After some debate it was agreed that ballots would be cast in secret. I was informed later that evening by the Minister of Foreign Affairs that the outcome of the balloting was 91 to 27 in favor of giving the Government the authority it was seeking to annul the 1941 agreement and retrocede the territories.

During the course of these debates it was evident that several problems were causing concern. Frequent reference was made to the "fate" of Siamese people in the areas to be returned, whether they would be permitted freely to withdraw from those territories with their belongings if they should choose to do so. The treatment of those who elected to remain was also discussed, the fear being expressed that the French might mete out harsh treatment. There was also debate concerning the insistence of France that she is in a state of war with Siam and apprehension that this insistence would be used as a basis for the presentation of large claims against the Siamese Government. With reference to this latter point the Minister of Foreign Affairs informed me that his Government's position would

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<sup>1a</sup> Not printed.



continue to be that Siam was not at war with France and that diplomatic relations between the two countries had merely been suspended. This point, the question of reparations, the speedy establishment of a conciliation commission and the treatment of Siamese nationals in the retroceded territories are, it is understood, to be included in the instructions being prepared for the use of the Siamese delegation in further negotiations with the French.

Of both significance and importance to us is the fact that the majority of those who participated in the debates referred repeatedly to the views of the Government of the United States as embodied in the Department's memorandum of October 4. It was very evident that the Department's endorsement of the French proposals had great influence upon the members of the Assembly. It was equally evident from statements made by many of the members that they as the representatives of the Siamese people look to the United States to ensure that an equitable settlement will be achieved and that fair and just treatment will be accorded by the French to the people of the retroceded territories. These same sentiments were very clearly expressed to me by both the Prime Minister and the Foreign Minister. In other words, the French proposals have been accepted by the Government and the Assembly largely because we urged that they be accepted as a basis for effecting an amicable and lasting settlement of the matters in dispute between Siam and France and, furthermore, because they believe that we will see to it that justice is done to Siam. I need not emphasize the fact that the good will now entertained by the people of Siam towards the United States and the prestige that we enjoy in this country at the present time will suffer harm, perhaps irreparable harm, if the settlement of this dispute should be inequitable in nature. Furthermore, if the attitude and actions of France toward Siam and particularly the people in the retroceded areas should be harsh and overbearing serious unrest and uprisings may be anticipated, thus nullifying the earnest efforts made to ensure peace and stability in this part of Southeast Asia.

Respectfully yours,

EDWIN F. STANTON

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892.014/10-1846

*Memorandum by the Chief of the Division of Southeast Asian Affairs (Moffat) and the Acting Chief of the Division of Western European Affairs (Wallner)*<sup>2</sup>

[WASHINGTON,] October 18, 1946.

In his telegrams Stanton has stressed the deciding factor in the Siamese decision to accept the French settlement proposals was the

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<sup>2</sup> Addressed to the Director of the Office of Far Eastern Affairs (Vincent) and the Deputy Director of the Office of European Affairs (Hickerson).

position taken by the United States and that in following the advice of this Government, the Siamese are relying on this Government to see that the conciliation machinery is put promptly into effect and operates fairly. He stressed also the extreme concern of the Siamese lest their nationals in the disputed territories may be harshly treated by the French<sup>3</sup>; and he believed that should there be harsh treatment there might be uprisings in the area and continuing incidents.

For their part the French are fearful that the Siamese may undertake to withdraw very rapidly, giving the Free Cambodians opportunity to organize some resistance before the French can take over. The French are also fearful of Siamese destruction of property in anticipation of the withdrawal.

The best protection of both French and Siamese interests in the territories and the prevention of incidents by hotheads on either side would be through the presence of official neutral observers and of the press. In view of our role in securing Siamese acceptance of the French proposals we believe that such official neutral observers should be American.

The French have indicated a desire to have official neutral observers in the territories until turned over by the Siamese. If you concur, we will urge the French and Siamese to include in the protocol governing the restoration of the territories a provision for the presence of official observers of a neutral power or powers to be stationed both with the Siamese authorities to observe the details of Siamese withdrawal and with the French authorities to observe the details of the French taking over.

It is probable that we may be requested to furnish such official observers, and, if you concur,<sup>4</sup> we would like authority—

(1) to agree thereto including, if so desired, to a recitation in the protocol that such observers be American;

(2) to seek an understanding that the press will not be excluded from either area prior to and during the transfer.

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892.014/10-1846 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

CONFIDENTIAL

PARIS, October 18, 1946—6 p. m.  
[Received October 18—4:24 p. m.]

5258. Bidault asked me this afternoon to convey to my Government and especially to the Secretary of State the high appreciation

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<sup>3</sup> In a conversation with Messrs. Georges-Picot and Lacoste on October 17, officers of the Department stressed "the necessity for moderate and reasonable French administration of the disputed territories so as to avoid the danger of further incidents in the area". (Memorandum by Mr. Moffat, filed under 892.014/10-1646)

<sup>4</sup> Concurrence by Mr. Vincent and Mr. Hickerson indicated in marginal notations.

of his Government for the respective help given by the Department of State in connection with the nullification of the 1941 agreement and the Siamese decision to return to Indochina the four disputed provinces. He said that his Government is fully aware that without our assistance this action would never have been taken by the Siamese Government.

CAFFERY

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892.014/10-2346

*The Siamese Delegation to the Department of State*<sup>5</sup>

MEMORANDUM

1. The Siamese Delegation forwarded without delay to the Siamese Government the *Projet de Règlement Franco-Siamois*, together with the Memorandum of the State Department and the Memorandum of Oral Statement, handed to the Siamese Chief Delegate by the State Department on October 4th, 1946.

2. Under instructions from the Siamese Government, the Siamese Delegation is authorised to agree in principle to the French proposal above referred to and to accept it as a basis for negotiation, subject to the following observations:

1) Article 1.—*a*. The Convention of May 9, 1941 should be annulled and not declared null and void;

*b*. No reference should be made to the Cambodian and Laotian Governments;

*c*. The declaration annulling the Convention should be a joint declaration of the Siamese Government and the French Government;

*d*. In the text of the joint declaration it should be made clear that Siam in pursuance of the ideals of the United Nations and in the interest of world peace has accepted the recommendation of the United States and the British Governments to agree to annul the Convention.

2) Article 2.—*a*. There should be no reference to a state of war between France and Siam;

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<sup>5</sup> Handed by Prince Wan to Mr. Moffat on October 23, 1946. In a memorandum of the same date, Mr. Moffat gave a detailed account of his point-by-point discussion of the Siamese memorandum with Prince Wan. Mr. Moffat also stated in his memorandum: "Prince Wan said that he felt negotiations for the actual setting-up of the Conciliation Commission might await the conclusion of the agreement. He agreed that all three of the neutral members should be chosen in agreement with the French and jointly invited to serve as members of the Conciliation Commission. I commented that the choice of the members and the locus of the Commission were matters for French and Siamese agreement, but that I felt it would be desirable not to appoint officials of any of the three governments so as to avoid any belief that the decisions of the members—which should be solely on the merits—were influenced by their governments. . . . He then stated that his Government planned to appoint him as the Siamese member of the Conciliation Commission; and that his Government believed the neutral members should be nationals of the United States, Great Britain and China." (892.014/10-2346)



b. The withdrawal by the Siamese Government of their complaint from the Security Council should be subject to the approval by that Council of the settlement arrived at.

3) Article 3.—*a.* Not only that part of the frontier covered by the Treaty of March 23, 1907 but also the parts covered by the Treaty of October 3, 1893 and the Convention of February 13, 1904 should be subject to examination by the Commission of Conciliation;

b. The Commission should start its work as soon as it is constituted and should finish its work within 6 months at the latest.

4) Article 4.—It is not clear what damages are referred to, and clarification is sought on this point.

3. As the Siamese Government and Parliament are anxious about the welfare of the population in the territories concerned, His Majesty's Government desire to receive the following assurance from the French Government:

1) In the matter of nationality, the population should have the right to opt after the transfer of the territories, and should enjoy protection in regard to property.

2) Facilities and protection should be given for the evacuation of people who desire to leave the territories concerned. Fair treatment should be accorded alike to those who desire to remain and to those who want to leave for Siam.

3) The Siamese Government should have the right to establish a Consulate at Battambang.

4) In view of recurring raids into Siamese territory from Indochina, the French Government should give some definite guarantee that such raids from Indochina shall cease from now on because they deeply affect the sentiment of the people who, while having to bear a territorial sacrifice, have yet to suffer the loss of lives and property on account of these raids which, if continued, may give rise to serious consequences.

5) 200,000 tons of rice coming from the rice producing area now to be returned to France should be deducted from the amount of 1,200,000 tons which Siam is under obligation to supply to the United Nations.

4. The Siamese Delegation is thus prepared to proceed with the negotiation; and as the State Department has kindly offered its good offices to both the Siamese and the French Governments it is suggested that the negotiations may take place at the State Department.

WASHINGTON, October 23, 1946.

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892.014/10-2346

*The Acting Secretary of State to the French Ambassador (Bonnet)*

WASHINGTON, October 25, 1946.

EXCELLENCY: I have the honor to refer to your note No. 607 of October 2, 1946, requesting the good offices of the United States Gov-

ernment in transmitting to the Siamese Delegation in Washington the *Projet de Règlement Franco-Siamois* and in urging its acceptance by the Siamese Government. As you are already aware, the United States Government extended its good offices as requested.

I now have the honor to convey to you the attached memorandum which has been received from the Siamese Delegation.<sup>6</sup>

You will note that the Siamese Delegation under instructions from the Siamese Government is authorized to agree in principle to the French proposal and to accept it as a basis for negotiation subject to certain observations.

In connection with the fifth point under Paragraph 3 of the memorandum, Prince Wan explained that this paragraph had been improperly presented. This paragraph should have been, he explained, set forth as a separate point in which the good offices of the United States were sought to secure a reduction in the amount of rice which Siam is obligated to export pursuant to the exchange of notes dated May 1, 1946 between the Siamese and British Governments.<sup>7</sup>

With regard to the fourth paragraph of the memorandum, the Department reserves comment pending an indication of the views of the French Government.

The Department has examined with care the observations set forth in the Siamese memorandum and would wish to reserve comment at this time on the suggestion that reference to recommendations of the United States Government be included in the agreement. It understands that the Siamese observations constitute matters on which the Siamese Government desires especially to negotiate. It recognizes that as to some of these there may be differences of opinion between the French and Siamese Governments. This Government believes, however, that the action of the Siamese Government in accepting in principle the *Projet de Règlement Franco-Siamois* as a basis for negotiation establishes a firm foundation on which an agreement can be reached. It hopes most earnestly that the French Government will give most sympathetic consideration to the observations set forth in the Siamese memorandum and will promptly commence negotiations with a single eye to the fundamental objective of achieving an early peaceful agreement.

Accept [etc.]

[DEAN ACHESON]

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<sup>6</sup> October 23, *supra*.

<sup>7</sup> For information on this subject, see footnote 54, p. 969.

892.00/10-2246 : Telegram

*The Secretary of State to the Ambassador in France (Caffery)*

SECRET

WASHINGTON, October 28, 1946—6 p. m.

5766. French Emb informed orally by Dept<sup>s</sup> substance Bangkok tel 1196 Oct 22<sup>9</sup> repeated Paris Oct 23 re Chaiburi incident and Ross report. Concern expressed that further such incidents may jeopardize peaceful settlement; that US fully recognizes cooperative attitude but worried lest undisciplined forces Indochina cause difficulties especially during territorial transfers. In your discretion if opportunity presents discuss similar vein with FonOff.<sup>10</sup>

BYRNES

892.014/10-2946 : Telegram

*The Secretary of State to the Minister in Siam (Stanton)*

SECRET

WASHINGTON, October 31, 1946—5 p.m.

866. Reurtel No. 1228 Oct 29.<sup>11</sup> Matter observers disputed areas connection transfer will be determined Wash in protocol governing transfer. Dept concurs your view promptest withdrawal French officers and three civilians from disputed area until determination observers question. Inform Brit Min.

BYRNES

892.014/11-246 : Telegram

*The Acting Secretary of State to the Minister in Siam (Stanton)*

CONFIDENTIAL

WASHINGTON, November 2, 1946—2 p.m.

870. French Govt has proposed that details transfer territories pursuant protocol similar 1941 protocol to be signed same time as Agree-

<sup>8</sup> On October 23.

<sup>9</sup> Not printed; it reported that the British at Bangkok had received a report from Captain Ross, their military observer, of an attack on Chaiburi on the Siamese side of the Mekong by 70 Lao soldiers, commanded by French officers, who killed five Siamese and "shot up" and looted the village. The telegram also stated that the Siamese Foreign Minister invoked the assistance of the American and British Legations and threatened to take active measures if the attacks continued. The telegram concluded with Mr. Stanton's recommendation that the matter be brought to the attention of the French Government. (892.00/10-2246)

<sup>10</sup> The Embassy had already discussed this incident with Mr. Baudet, who supplied information from Admiral d'Argenlieu that the raid into Siamese territory had been contrary to orders and that disciplinary measures had been taken. Mr. Baudet noted also the Admiral's expression of sympathy for French military personnel in the frontier area because of continuous raids, shots and other provocations from Siamese territory (telegram 5355, October 24, 6 p. m., from Paris, filed under 892.014/10-2446).

<sup>11</sup> Not printed; it gave Mr. Stanton's view that the "only sure way guaranteeing no incidents before territories are returned is for French officers and three French civilians be withdrawn from Battambang forthwith. I also doubt that French officers there will contribute to maintenance peace and order Battambang." (892.014/10-2946).



ment should be determined by Mixed French-Siamese Commission comprising on French side 1 colonel, 11 staff officers and 4 civilians. Civilians to be 1 French and 1 Cambodian and 1 French and Laotian official. Seat Mixed Commission to be Battambang with units Sison, Moung, Kralank, and Bassac. When French Chargé reaches Bangkok <sup>12</sup> additional unit Bangkok. Brit and American observers to be attached Mixed Commission, presumably Brit officers now in area (London reported agreeable) and some officers AmLeg (possibly Law, Hunter and Bulkley. If more desired, War Dept willing send from US on 10 days' notice).

Prince Wan informing his Govt French proposal. He desires unit corresponding Bangkok liaison unit also at Saigon. Georges-Picot personally agreeable and querying Paris. For your info Wan also desires Mixed Commission continue beyond period transfer, possibly through period Conciliation Commission. He has not informed French of this.

All here agreed immediate establishment Mixed Commission desirable to commence functions immediately protocol signed. Picot hopes Agreement and protocol can be concluded week Nov. 4.

Sent Bangkok. Repeated Paris, London and Saigon.

ACHESON

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892.014/11-446

*Memorandum by the Chief of the Division of Southeast Asian Affairs (Moffat) to the Under Secretary of State (Acheson)*

[WASHINGTON,] November 4, 1946.

You will recall that we reserved comment on the Siamese suggestion that there be recited in the proposed French-Siamese Agreement a statement that Siam was returning the disputed territories in accordance, *inter alia*, with American recommendations.

Informally, I informed both the French and Siamese, and also the British, that we were opposed to any reference to the United States in the body of a French-Siamese Agreement; that although we would prefer no reference at all we might consider, if needed to secure con-

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<sup>12</sup> In a memorandum of conversation, October 22, Mr. Moffat had stated that Mr. Georges-Picot "thought as soon as the *projet* was signed diplomatic relations should be resumed by sending a Chargé to Bangkok and that this should not wait upon restoration of the *status quo ante* as provided in the *projet*; that obviously having a Chargé in Bangkok who possibly could send observers to the territories in dispute would be an important safeguard." (892.014/10-2246)

clusion of the Agreement, some reference in the Preamble which would not identify us with any particular recommendations made just to one side. The British view is similar to ours.<sup>13</sup>

Agreement has now been reached between the French and Siamese, subject only to Paris approval, on a Preamble reading:

“Le Gouvernement de la République Française et le gouvernement Siamois, agissant conformément à l’idéal des Nations Unies and dans l’intérêt de la paix du monde; considérant les points de vue exprimés par les gouvernements anglais et américain; et désireux de rétablir les relations de paix et d’amitié traditionnelles entre les deux pays, ont nommé à cet effet pour leur Plénipotentiaires:” Etc.

The French believe that Paris approval of the foregoing Preamble and of the proposed text will be forthcoming Wednesday and that the Agreement can be signed Thursday.

If we insist on the deletion of the reference as proposed, Prince Wan must secure authority from Bangkok as its substance was included in his instructions. This might cause substantial delay in concluding the Agreement. It is recommended, if you concur, that we inform Georges-Picot and Prince Wan that while we would prefer its omission we will not object if the clause is retained in the Preamble as set forth above.<sup>14</sup>

A[BBOT] L[OW] M[OFFAT]

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892.014/11-846

*Memorandum of Conversation, by the Assistant Chief of the Division of Southeast Asian Affairs (Landon)*

[WASHINGTON,] November 8, 1946.

Participants: Mr. Dean Acheson, Acting Secretary;  
M. Bonnet, French Ambassador;  
Mr. Woodruff Wallner, WE;  
Mr. Kenneth Landon, SEA.

The French Ambassador, M. Bonnet, called by appointment on the Under Secretary and handed him for his information copies<sup>15</sup> of a revised text of the proposed *Règlement Franco-Siamois*, a proposed Protocol for evacuation of the disputed areas, and an addendum to the Protocol providing for a Mixed Franco-Siamese Commission to function at certain points in the areas during the process of

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<sup>13</sup> The British view was embodied in a memorandum from the British Embassy dated November 4 and handed to Mr. Moffat the following day.

<sup>14</sup> Marginal notation by Mr. Acheson: “I agree”.

<sup>15</sup> None printed.

transfer. The addendum included provision for inviting British and American observers to be attached to the Mixed Commission.

The French Ambassador said that in general the Siamese and French points of view had been reconciled; that Paris had agreed to a compromise statement on Article 1 in regard to "declaring null and avoid" the 1941 agreement; that in fact the French had conceded almost everything that the Siamese had requested; that he felt that the Siamese were now stalling over petty points of no substantive importance; and that, therefore, he would appreciate it if the Department would urge the Siamese to take immediate favorable action on the proposed *Règlement* and Protocol. He added that the Protocol was identical with the one of 1941 with the exception of the addition of the proposed Mixed Franco-Siamese Commission. He said that the Siamese had referred the question of such a Mixed Commission to Bangkok and as yet had had no reply.

Mr. Acheson assured the Ambassador that we would urge the Siamese to take all reasonable steps to conclude the Agreement and Protocol promptly.

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892.014/11-1546

*Memorandum of Conversation, by the Acting Chief of the Division  
of Southeast Asian Affairs (Landon)*

CONFIDENTIAL

[WASHINGTON,] November 15, 1946.

Participants: M. Georges-Picot, French Ambassador to Venezuela;  
Mr. Woodruff Wallner, WE;  
Mr. Kenneth P. Landon, SEA.

M. Georges-Picot called to inform us that his Government was not satisfied with the phrase "previously repudiated by the French Government" in Article I of the proposed *Règlement* as the implication might be that the Agreement of May 9, 1941 was valid at one time and then was annulled. After considerable informal discussion it was suggested that M. Georges-Picot and Prince Wan exchange letters defining the phrase in order to make clear that the French Government had never regarded the May 9, 1941 Agreement as valid and that the Siamese Government took note of this point of view. M. Picot seemed to feel that this would solve the problem and left immediately to discuss the matter with Prince Wan.



S92.014/11-1746

*Memorandum of Conversation, by the Assistant Chief of the Division  
of Western European Affairs (Wallner)*

[WASHINGTON,] November 18, 1946.

Participants: The Acting Secretary, Mr. Acheson  
Mr. Bonnet, French Ambassador to the United States  
Mr. Guillaume Georges-Picot, French Ambassador to  
Venezuela  
Mr. Francis Lacoste, Minister-Counselor of French  
Embassy  
Mr. Landon, Acting Chief, SEA  
Mr. Wallner, Assistant Chief, WE

Mr. Bonnet called by appointment and handed Mr. Acheson the attached note <sup>16</sup> from the French Government transmitting the various texts of the Franco-Siamese settlement <sup>17</sup> and conveying the thanks of the French Government for this Government's good offices in the negotiations.

The French Ambassador told Mr. Acheson that he wished to add his own personal thanks to those contained in his Government's note, which, he said, were intended to include both Mr. Acheson personally and those members of the latter's staff (he mentioned Messrs. Moffat, Landon and Wallner) who had participated most actively in the long drawn-out but, he hoped, successful settlement of this thorny question.

Mr. Acheson made appropriate acknowledgement of the Ambassador's words.

The Acting Secretary then raised the question of the presentation of the agreements to the Security Council. Mr. Bonnet briefly resumed the provisions of the agreements on this point and said that the French and Siamese negotiators would start immediately drafting agreed texts for submission to Mr. Trygve Lie. He stated that they would discuss these texts with the Department as well as with the British Embassy and thought that action should be concerted by the British, French and United States representatives to the Security Council. He pointed out that Mr. Herschel Johnson would be President of the Council for the remainder of this month and expressed the hope that Mr. Johnson would use his position to help obtain Security Council approval of the agreements.

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<sup>16</sup> Ambassador Bonnet's note of November 17 not printed.

<sup>17</sup> The Règlement and Protocol were signed at Washington at 5 p. m., November 17; for texts, see United Nations Treaty Series, vol. cccxliv, p. 59, or SC, 1st yr., 2nd series, Suppl. No. 9.

Mr. Acheson said that we were most anxious to be helpful in this regard and stood at the disposal of the French and Siamese Governments for any assistance that the Department or our representatives on the Security Council could offer.

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892.014/11-1546 : Telegram

*The Acting Secretary of State to the Minister in Siam (Stanton)*<sup>18</sup>

CONFIDENTIAL

WASHINGTON, November 21, 1946—7 p. m.

901. Urtel 1282, Nov 15.<sup>19</sup> French Emb officially requested US provide observers attached Mixed Commission disputed areas; stated that similar request being made to London for Brit observers. Prince Wan informed Dept he had informed Siamese FonOff that Brit and Amer observers would be provided only if requested by both French and Siamese and suggested FonOff take prompt action. Prince Wan telegraphing today requesting FonOff extend invitation directly to Brit and Amer Legs Bangkok for observers.

After Siamese invitation received Amer observers designated by Military and Naval Attachés should closely coordinate activities Brit opposites and should withdraw from Mixed Commission when either Siamese or French withdraw.

ACHESON

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740.00119 Council/11-2246 : Telegram

*The Acting Secretary of State to the Acting United States Representative at the United Nations (Johnson)*<sup>20</sup>

CONFIDENTIAL

WASHINGTON, November 22, 1946—1 p. m.

291. On November 17, the French and Siamese Delegations in Washington signed an Agreement of Settlement and Protocol to bring to an end the dispute between France and Siam. Article 2 of the Agreement reads in part as follows:

“France and Siam will communicate to the Security Council the

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<sup>18</sup> In telegram 7841, November 21, to London, the Department quoted text of this telegram and requested that the British Foreign Office be informed of its content (892.014/11-2146).

<sup>19</sup> Not printed.

<sup>20</sup> In a memorandum of November 21, 1946, to Mr. Acheson, the Director of the Office of Far Eastern Affairs (Vincent) stated that the draft of this telegram had been approved in substance informally by the British and French Embassies and the Siamese Legation in regard to procedure for the presentation of the French-Siamese Agreement of Settlement and Protocol to the Security Council. (740.00119 Council/11-2246)

agreement reached and Siam will withdraw the complaint which was introduced before the Council; France will no longer oppose the entrance of Siam into the United Nations."

Both the French and Siamese representatives here will transmit copies of the Agreement to the Secretary-General. The Siamese letter of transmittal will inform the Secretary-General that the Siamese Government has instructed the Siamese representative to withdraw the complaint filed on July 15, 1946. It will end with a paragraph expressing the hope that the settlement will meet with the approval of the Security Council. We understand the letter to the Secretary-General from the French Government will contain a similar paragraph.<sup>21</sup>

It is the Department's view that although it would be entirely appropriate for the SC to express its satisfaction and approval that the settlement was reached in accordance with the principles of the Charter, it would not be appropriate for the Council to approve the substantive aspects of the settlement. Further, we believe that it would be preferable, as a matter of SC procedure, that the Council express its satisfaction and approval in the form of a statement made by the President rather than by a formal resolution. Accordingly, if this procedure is followed, we see no reason why the letters to the Secretary-General should be placed on the agenda of a meeting of the Council.

As soon as the Secretary-General has circulated the two letters, it is suggested that you consult informally with the other representatives to get their approval of the procedure outlined above.

If the Secretary-General or a Council member feels it is necessary to place the letters on the agenda, we nevertheless prefer having Council approbation expressed by a statement of the President rather than by a formal resolution in order to avoid debate on the con-

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<sup>21</sup> Appropriate letters were submitted to the Secretary-General of the United Nations by Mr. Parodi and Prince Wan on November 28; for texts, see United Nations, *Official Records of the Security Council, First Year, Second Series*, p. 505. The letters were discussed at the meeting of the Security Council on November 29. Herschel V. Johnson, President of the Council, stated: "I think that I may speak for all my colleagues on this Council in expressing our deep satisfaction that the French and Siamese Governments have reached a settlement of their difficulties by means of direct negotiations between themselves in accordance with the spirit and principles of the Charter. . . ."

"Since the original Siamese complaint has never been placed on the agenda of the Council, I believe that the Council may now consider the matter closed and that no further action by Council is necessary." (*Ibid.*, p. 506)

In a letter of November 29 to the Secretary-General, Prince Wan requested that consideration of Siam's application for membership be proceeded with; for text, see SC, *1st yr., 2nd series, Suppl. 10*, p. 169. On the recommendation of the Security Council, the General Assembly, on December 15, unanimously adopted a resolution that Siam be admitted to membership; for text, see United Nations, *Official Records of the General Assembly, First Session, Second Part*, p. 1458.



troversy between France and Siam or on the terms of the Agreement.

We suggest that you consult with Parodi before approaching other Council members. It is also suggested that you consult with John Allison of the GA Delegation, who is familiar with the background of the settlement.

Copies of the Agreement and both the Siamese and French letters of transmittal will be forwarded to you by pouch as soon as they are available.<sup>25</sup>

ACHESON

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892.014/12-1746

*The Minister in Siam (Stanton) to the Secretary of State*

CONFIDENTIAL

No. 208

BANGKOK, December 17, 1946.

[Received January 14, 1947.]

SIR: I have the honor to refer to various telegraphic reports submitted by the Legation<sup>26</sup> in regard to the retrocession of territories to the French in conformity with the agreement concluded on November 17, 1946 between the French and Siamese Governments, and to submit herewith a more detailed account, prepared by Vice Consul Dwight Bulkley, of the actual transfer of the two provinces of Phratabong (Battambang) and Phibun Songgram.

SUMMARY

The transfer of the provinces of Phratabong and Phibun Songgram to the French military authorities was completed on Monday, the 9th of December, with the last two Siamese trains departing at 1630 and 1715 hours.

The cordial atmosphere which prevailed between the Siamese and French members of the Mixed Commission during the greater part of the period of transfer was somewhat strained during the last two days, due largely to the fact that both the Siamese and French had originally been most eager to rush the transfer through, without utilizing the full period authorized in the Protocol, and to failure to anticipate and later to guard against Cambodian sabotage of the lines of communication. In consequence, just before the transfer was completed,

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<sup>25</sup> In telegram 2675, May 20, 1948, from Paris, the Department was informed that the French mission in Siam had been told orally and in writing by the Siamese Government that it renounced its claims to four disputed provinces of Indochina (751g.9215/5-2048)

<sup>26</sup> None printed.

the French accused the Siamese of being too hasty, forgetting their own original desire for haste. Furthermore, the burning of bridges and finally the town of Ban Tha Sai by Free Cambodians provided material for charges and counter-charges on both sides. The fact remains, however, that the transfer of these two provinces was effected with less friction and fewer incidents than had been anticipated, which may be attributed in general to the restraint and spirit of co-operation which animated both the French and Siamese authorities and in particular to the tact and ability of Colonel Roux, head of the French delegation to the Mixed Commission, and Lieutenant Thavil Ravangbai, Governor of Phratabong.

On November 22, upon receipt of invitations extended by the Siamese Government and the French Legation, in accordance with the Protocol of the Agreement, for the attachment of American observers to the Mixed Commission, the Legation replied accepting the invitations and proposing that the Military and Naval Attachés of this Legation, or alternate members of their staffs, and Vice Consul Dwight Bulkley be attached to the Commission as American observers. Copies of the communications exchanged with the Siamese and French authorities are enclosed.<sup>27</sup>

Accordingly, on November 24 two American observers, Lt. Hunter and Vice Consul Bulkley, accompanied the Siamese and French members of the Mixed Commission on the special train which carried it to Phratabong. The train arrived at 1700 to be greeted by the Governor and other senior officials of the province. [Here follow further details of the Siamese retrocession of territories to the French, including the initial meeting of Siamese and French members of the Mixed Commission on November 25; the arrival of Lieutenant Colonel Law as the third American observer the same day; the arrival of the two British observers on November 28; the signature of an agreement by the Siamese and French Delegations on December 4, calling for French occupation of Pak Phraek on December 6, Phailin on the 7th, and Phratabong on the 8th; the request by the French to delay occupation of Phratabong because of the burning of various bridges; and the occupation of Phratabong on the 9th. The account closed with the Minister stating: "The presence of American and British observers was a factor which contributed materially to the relatively smooth transfer of these territories."]

Respectfully yours,

EDWIN F. STANTON

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<sup>27</sup> Neither printed.

892.014/12-2146 : Telegram

*The Acting Secretary of State to the Minister in Siam (Stanton)*<sup>28</sup>

SECRET

WASHINGTON, December 26, 1946—2 p. m.

969. Reurtel 1400, Dec. 21; Paris 6229, Dec. 23 to Dept<sup>29</sup> repeated unnumbered to Bangkok. Dept expressed concern<sup>30</sup> French Emb Siamese Leg over delay establishment Conciliation Commission. Prince Wan expressed determination have Amer on Commission and have Commission convene New York. Siamese probably will not hold out for Brit and Chinese members but Prince Wan indicated Siamese will force issue in favor Amer as according General Act if no agreement possible on three neutral members each side then selects one and the two selected in turn select one neutral.

Inform FonOffs Bangkok and Paris Dept's concern over delay indicating immaterial to Dept nationality of neutrals and place of convening.

ACHESON

892.014/12-2146 : Telegram

*The Secretary of State to the Minister in Siam (Stanton)*

SECRET

WASHINGTON, December 31, 1946—7 p. m.

977. ReDeptel 969, Dec 26. Prince Wan informed Dept he returning Bangkok<sup>31</sup> immediately negotiate establishment Conciliation Commission with French Chargé.

Sent to Bangkok. Repeated to Paris and London.

BYRNES

#### INTEREST OF THE UNITED STATES IN THE TRIAL OF SIAMESE ACCUSED OF WAR CRIMES

[On February 6, 1946, the Legation at Bangkok informed the Department, in telegram 104, that British authorities had approached the Siamese Government regarding trial by British courts of Siamese accused of atrocities against British subjects and that the Siamese were inclined to propose trial by mixed courts (740.00116 PW/2-646).

The Department's reply, in telegram 135, March 4, stated: "No

<sup>28</sup> This telegram was repeated to Paris as No. 6591 and to London as No. 8300.

<sup>29</sup> Neither printed.

<sup>30</sup> On December 24.

<sup>31</sup> On December 30. In a memorandum of that date, Mr. Landon stated that Prince Wan's list of names which his Government intended to propose as possible neutral members of the Conciliation Commission contained those of two Americans—William Phillips and Joseph C. Grew (892.014/12-3046).



US precedent for situation. US would not like to see Brit courts either civil or military established Siamese soil to try Siamese. Brit and Siam at peace. Brit troops not occupying force. Military Annex<sup>32</sup> requires Siamese cooperation in 'apprehension and trial' of war criminals. Brit membership on civilian mixed court too reminiscent extraterritoriality. Believe best solution would be mixed military court with Brit members appointed by Mountbatten as Supreme Allied Commander rather than as Brit authority. Suggest court jurisdiction should cover atrocities against Allied rather than solely Brit subjects and military law should be applied." (740.00116 PW/-2-646).

Under the War Criminals Act of 1945, the Siamese Government indicted the following eight war crimes suspects: Field Marshal Luang Pibul Songgram, Siamese Prime Minister from 1938 to 1944; Luang Wichit Wattarkarn, wartime Siamese Ambassador to Japan; Lieutenant General Seri Roengrit, who had led Siamese forces into Indochina and Burma; Major General Prayoon Phamonmontri, organizer of the Yuvachon, the Siamese Youth Movement; Phra Sarasat Pholakhan, Director of the Thai Room, a semi-official cultural organization in Tokyo, and frequent broadcaster on Tokyo Radio; two other radio broadcasters; and a member of the Assembly. On March 23, the Siamese Dika (Supreme) Court rendered a decision that the War Criminals Act, particularly that part providing for the punishment of offenses committed before the date of the Act's promulgation, was null and void because of its conflict with Section 14 of the Siamese Constitution, and directed the unconditional release of the indicted persons (despatch 79, March 30, from Bangkok; filed under 740.00116 PW/3-3046).

In telegram 220, April 2, the Department notified the Legation at Bangkok that it had "no comment" on this action (740.00116 PW/3-2646). In a letter of May 17, the Chief of the Division of Southeast Asian Affairs (Moffat), informed Colonel David Marcus, Chief of the War Crimes Branch of the War Department, of the decision releasing the eight indicted persons and inquired whether the War Department contemplated action against any persons in Siam who might be guilty of war crimes against Americans (740.0016 PW/3-3046). Colonel Marcus' reply on June 24 stated that no present action was contemplated against anyone now in Siam and that no cases were under investigation (740.00116 PW/6-2446).]

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<sup>32</sup> To the Heads of Agreement signed by the United Kingdom and Siam at Singapore on January 1, 1946, in connection with the termination of their state of war; for text, see British Cmd. 8140, Treaty Series No. 10 (1951), p. 6.

**ACQUISITION BY THE UNITED STATES OF MILITARY AND CIVIL AIR RIGHTS IN SIAM**

[On May 4, 1946, in telegram 352, the Department of State instructed the Legation in Siam to seek the rights of air transit and technical stop by military aircraft at the Don Muang Airport for as long as the United States would maintain occupation forces in Germany and Japan (811.248/5-446). In accordance with those instructions the Legation sent a note, No. 74, to the Siamese Foreign Office on June 8; the Foreign Office agreed to the exercise of these rights in note No. 5280/2489 of July 23. Copies of the exchange of notes were transmitted to the Department in despatch 65, August 21 (811.2392/8-2146).

In instruction 77, October 7, the Department sent to Bangkok a draft bilateral civil air transport agreement for negotiation with the Siamese Government (811.79600/10-746). The draft was given to the Siamese Government on October 30 (as reported in Legation's Telegram 1233, October 31, filed under 711.9227/10-3146), and an agreement was signed at Bangkok on February 26, 1947. In his despatch 296, February 27, 1947, the Minister in Siam (Stanton) noted that "inasmuch as the Government of Siam was itself interested in and anxious to conclude an air agreement with the United States, no special difficulties were encountered in the negotiation of the agreement . . ." (711.9227/2-2747). For text of the agreement, see Department of State, *Treaties and Other International Acts Series* 1607, or 61 Stat. (pt. 3) 2789.]

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**AGREEMENT WITH SIAM REGARDING THE SALE OF AMERICAN SURPLUS PROPERTY**

[The Department of State informed the Legation at Bangkok, in telegram 216, April 1, of the willingness of the United States Government to enter a contract with the Siamese Government whereby the latter would purchase American surplus property in the amount of \$10,000,000 with additional purchases if needed to a final total of \$20,000,000. Payment would be made in accordance with a separate deferred dollar credit agreement to be negotiated with the Siamese Government to permit possible barter of surplus property for real estate or other tangible or intangible property (892.24/3-2346). The Legation at Bangkok notified the Siamese Foreign Office to this effect in note No. 31 of April 5. A formal contract was executed by

American and Siamese officials at Manila on May 16. The contract provided that if a deferred credit agreement were not consummated by January 1, 1947, the purchase price would be paid in twenty equal annual installments of \$500,000, with interest at the rate of  $2\frac{3}{8}\%$ . No evidence has been found that a deferred credit agreement was negotiated.]











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